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April 12, 2021  
Justice Romaine

COURT FILE NO. 1801-04745  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF HILLSBORO VENTURES INC.  
DEFENDANTS CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR  
(BOB) GAIDHAR, YASMIN GAIDHAR AND CEANA  
DEVELOPMENT WESTWINDS INC.  
PLAINTIFFS BY COUNTERCLAIM CEANA DEVELOPMENT SUNRIDGE INC., BAHADUR  
(BOB) GAIDHAR AND YASMIN GAIDHAR  
DEFENDANTS BY COUNTERCLAIM HILLSBORO VENTURES INC., NEOTRIC  
ENTERPRISES INC., KEITH FERREL AND BORDEN  
LADNER GERVAIS LLP  
DOCUMENT AFFIDAVIT OF KEITH FERREL  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT Dentons Canada LLP  
Bankers Court  
15th Floor, 850 – 2nd Street SW  
Calgary, Alberta T2P 0R8  
Attn: Derek M. Pontin  
Ph. (403) 268-6301  
Fx. (403) 268-3100  
File No.: 559316-3

### AFFIDAVIT NO. 7 OF KEITH FERREL

Sworn on March 19, 2021

I, Keith Ferrel, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the Manager of Hillsboro Ventures Inc. ("HVI"), the Plaintiff in this Action. I am also the President of Hillsboro Enterprises Inc. ("HEI") and Hillsboro Properties Inc. ("HPI", together with HEI and HVI, hereafter referred to as "Hillsboro") and, as such, I have personal knowledge of the matters deposed to except where stated to be based on information and belief, in which case I verily believe the same to be true. I have satisfied myself that I am possessed of sufficient information and knowledge to swear this affidavit on behalf of Hillsboro. I am authorized by Hillsboro to make this affidavit.
2. I have previously sworn numerous Affidavits in this proceeding. Among other things, those Affidavits set out the loan facilities granted by Hillsboro to Ceana Development Sunridge Inc. ("Ceana Sunridge") and the ongoing defaults of Ceana Sunridge thereunder. Those loan facilities were advanced under three mortgages given by Ceana Sunridge to Hillsboro in 2017.
3. This Affidavit provides:

- (a) an update regarding the closing of the transaction approved by the Order – Sale to Plaintiff and Vesting granted by this Honourable Court on January 14, 2021 (the “**Vesting Order**”);
- (b) the quantum of the deficiency owing to Hillsboro after closing of the transaction approved by the Vesting Order; and
- (c) evidence regarding the guarantees of the obligations of Ceana Sunridge granted by Ceana Development Westwinds Inc. (“**Ceana Westwinds**”), Bahadur (Bob) Gaidhar (“**Mr. Gaidhar**”), and Yasmin Gaidhar (“**Ms. Gaidhar**”, collectively with Ceana Westwinds and Mr. Gaidhar, the “**Guarantors**”) and the quantum owing thereunder in support of an application for summary judgment against the Guarantors.

**The Sale to Plaintiff is Now Completed**

4. The Vesting Order approved a transaction (the “**Transaction**”) to vend the following property:

PLAN	9811891
BLOCK	8
LOT	1
EXCEPTING THEREOUT ALL MINES AND MINERALS	

(the “**Lands**”), along with all improvements, structures, fixtures, appurtenances, attachments, chattels, property, applications, plans, permits, licences, approvals, deposits, and letters of authorization of Ceana Sunridge associated with the Lands (together with the Lands, the “**Purchased Assets**”).

5. The Vesting Order provides that all of Ceana Sunridge’s right, title, and interest in and to the Purchased Assets shall vest absolutely in HVI (or its nominee) upon delivery of a Receiver’s Closing Certificate.
6. The Receiver provided a Receiver’s Closing Certificate regarding the Transaction on February 19, 2021 (the “**Date of Closing**”). A filed copy of the Receiver’s Closing Certificate is attached as **Exhibit “1”**.

**The Deficiency Amount Owing to Hillsboro is Now Crystallized**

7. The Vesting Order provides that the total purchase price for the Purchased Assets is \$17,662,335, and that the purchase price would be paid by a combination of cash and credit amounts.
8. As of February 19, 2021, the date of closing, the total purchase price was comprised as follows:
- (a) \$3,000,000 – this was the Closing Cash, and was paid by Hillsboro into escrow;
  - (b) \$5,932,836.42 - this was the amount outstanding to Hillsboro under the Receiver’s Borrowings as of the closing date (the “**Receiver’s Borrowings Offset Amount**”) – a summary provided by the Receiver is attached hereto, marked as **Exhibit “2”**;
  - (c) \$4,455,891.46 - this was the amount owing to Connect First Credit Union and assumed by Hillsboro as of the closing date (the “**Connect Mortgage**”) – this was confirmed by Connect First as being correct as of February 19, 2021; and
  - (d) \$4,273,607.12, - this reflects the balance of the purchase price, to make up to \$17,662,335. Hillsboro has paid this amount by way of offset against the amount owing by Ceana Sunridge to Hillsboro under its Mortgage Indebtedness (the “**Credit Offset Amount**”).



9. An updated statement of Hillsboro's Mortgage Indebtedness, as of the closing date, is as follows:

<u>Loan/Obligation</u>	<u>Amount Confirmed in Vesting Order</u>	<u>Interest and Fee Accrual to February 19, 2021</u>	<u>Total Amount as at February 19, 2021</u>
Mortgage Facility 1:	\$5,596,844 (as at October 31, 2020, per paragraph 7 of the Vesting Order)	\$365,911	\$5,962,755
Mortgage Facility 2:	\$3,652,297 (as at October 31, 2020, per paragraph 7 of the Vesting Order)	\$248,947	\$3,901,244
Mortgage Facility 3:	\$2,633,950 (as at October 31, 2020, per paragraph 7 of the Vesting Order)	\$290,382	\$2,924,332

10. The interest and fee accrual calculations, supporting the above amounts, are attached hereto, marked as **Exhibit "3"**. This worksheet was created by using the Receiver's accounting from October 31, 2020 (discussed further, below) and carrying it forward to February 19, 2021. The amounts carried forward by Hillsboro are highlighted in the attached worksheet, for ease of reference.
11. In respect of the Credit Offset Amount, Hillsboro applied that amount in reduction of its oldest mortgage first. The updated Mortgage Indebtedness, as of February 19, 2021, after the Credit Offset Amount is applied, is as follows:

<u>Loan/Obligation</u>	<u>Amount as at February 19, 2021</u>	<u>Applicable Mortgage Offset Amount</u>	<u>Total Amount as at February 19, 2021 – Post-Closing</u>
Mortgage Facility 1:	\$5,962,755	(\$4,273,607)	\$1,689,148
Mortgage Facility 2:	\$3,901,244	\$nil	\$3,901,244
Mortgage Facility 3:	\$2,924,332	\$nil	\$2,924,332
<b>TOTAL:</b>			<b><u>\$8,514,724</u></b>

12. The above "**TOTAL**" is the amount currently left owing to Hillsboro in respect of its Mortgage Indebtedness (the "**Remaining Mortgage Indebtedness**").
13. The Remaining Mortgage Indebtedness, plus interest at contractual rates up to the date of judgment, plus all costs (including legal costs on a solicitor and client, full indemnity basis) comprise Hillsboro's total claim for judgment against Ceana Sunridge.

**The Deficiency Amount is Proven Beyond Any Doubt**

14. At paragraph 8 of the Vesting Order, judgment was granted against Ceana Sunridge for the deficiency owing to Hillsboro, with the exact amount of that deficiency to be determined after the sale had closed.
15. Now that the sale has closed, the deficiency amount is known.
16. Bob Gaidhar has advised Hillsboro and the Court that he disagrees with Hillsboro's accounting for the Mortgage Indebtedness. Mr. Gaidhar first raised this issue in 2018. This issue was responded to in detail by Hillsboro in my Affidavit of October 26, 2020.
17. Mr. Gaidhar asked the Receiver to review the accounting for the Mortgage Indebtedness. The Receiver reviewed everything provided by Hillsboro and Mr. Gaidhar, including Mr. Gaidhar's own accounting analysis. The Receiver has confirmed on various occasions, including in its Fourth Report at paragraphs 18-22, that the Mortgage Indebtedness claimed by Hillsboro is correct and all accounted for.
18. Mr. Gaidhar has filed affidavits stating he is opposed to Hillsboro's and the Receiver's accounting. Mr. Gaidhar has asked the Receiver for extensive detail to support its accounting and the Receiver has provided that information to Mr. Gaidhar. A copy of the Receiver's letter to Mr. Gaidhar dated November 6, 2020, and the Receiver's accounting analysis therein, is attached hereto, marked as **Exhibit "4"** (hereafter, the "**Receiver's Accounting**").
19. The Receiver's Accounting has been filed in any event in this Court Action as a part of Mr. Gaidhar's responses to undertakings.
20. Aside from the undertakings that have been filed, as at the date of this Affidavit, Mr. Gaidhar has refused to provide answers to several undertakings, including refusal to provide the general ledger for Ceana Sunridge and copies of any financial statements. This is despite numerous requests and an Order compelling the same.
21. At the last Court hearing on this matter, on February 25, 2021, I am advised by Derek Pontin of Dentons Canada LLP, Hillsboro's legal counsel, that the Court asked the parties to accommodate a meeting to discuss the accounting.
22. On March 2, 2021, Hillsboro, through its legal counsel, wrote to Mr. Gaidhar asking for Mr. Gaidhar to particularize his concerns with the accounting. Hillsboro advised it would be willing to attend discussions with Mr. Gaidhar regarding the accounting, but would need to know particulars of what is disputed in respect of the Receiver's review. A copy of Hillsboro's letter to Mr. Gaidhar (care of his legal counsel) is attached hereto, marked as **Exhibit "5"**.
23. On March 11, 2021, Mr. Gaidhar provided his response to Hillsboro (by way of its legal counsel). That letter enclosed two bundles of documents. A copy of the letter is attached hereto, marked as **Exhibit "6-A"**. Copies of the respective bundles of documentation enclosed with that letter are attached hereto, marked as **Exhibits "6-B" and "6-C"**, respectively (all together, the "**March 11, 2021 Gaidhar Letter**").
24. The March 11, 2021 Gaidhar Letter makes the following allegations, which I respond to:
  - (a) The mortgages were "underfunded", in the sense that certain monies advanced were "not available for the actual construction." [Exhibit "6-A"]
    - (i) Response: a portion of the financing under each mortgage was set aside for interest reserve, fees and other specifications. This was agreed in the loan

agreements. The interest reserve and related amounts are described and accounted for in the Receiver's accounting. The Receiver's accounting reconciles all advances to the exact dollar on each facility.

- (b) There is "significant dispute with excessive and incorrect fees of \$650,125". [Exhibit "6-A"]

- (i) Response: all fee amounts were agreed to by Ceana Sunridge, under the direction of Mr. Gaidhar. Mr. Gaidhar has not indicated what fees, if any, are incorrectly recorded by the Receiver.

By contrast, the Receiver's accounting specifically sets out all fees on a monthly basis for each mortgage loan, and makes reference to the applicable loan and forbearance documentation.

- (c) Mr. Gaidhar would like "all monitoring fees removed – these were not agreed upon". This comment is repeated a number of times. [Exhibit "6-B"]

- (i) Response: the monitoring fees were agreed to under the Forbearance Agreement, signed by the parties on May 16, 2018. A copy is attached hereto, marked as Exhibit "7".

- (d) "There is evidence of double counting of interest", which Mr. Gaidhar says is a result of charging interest for funds advanced and held in the reserve account. [Exhibit "6-A"]

- (i) Response: this is not double charging. Monies advanced to Ceana Sunridge included monies that Ceana Sunridge agreed to set aside in a reserve account. The reserve account was created for the benefit of Ceana Sunridge, for the purpose of ensuring cash was available to service its loan obligations.

- (e) "The document analysis as at October 31, 2020 simply confirms what became an absurdity, based on the strict wording of the forbearance agreement but without any context in reality."

- (i) Response: of course, Hillsboro relies on the strict wording of its agreements. Hillsboro entered into its agreements with Ceana Sunridge in good faith and is entitled to rely upon the terms.

- (f) Mr. Gaidhar's materials attach correspondence and trust details from BLG, with various annotations and margin comments written in red ink. [Exhibit "6-B"]

- (i) Response: no conclusions appear to be drawn from Mr. Gaidhar's annotations and commentary.

By contrast, the Receiver's accounting includes detailed notes and references to the BLG trust ledgers, various filed affidavits, bank account statements, loan and forbearance agreements, interest schedules and other financial materials provided to the Receiver by Ceana Sunridge, Mr. Gaidhar and Hillsboro.

- (g) "The third loan – more than half was never funded and interest should not be charged on the balance that was never received. \$759,227.15 NEVER RECEIVED." [Exhibit "6-C"]

- (i) Response: upon Ceana Sunridge being in default of the third loan facility, Hillsboro ceased making further advances under the credit agreement.

The Receiver properly accounts for this as a reduction of principal in its accounting.

25. I provide the foregoing to show that there are no disputable facts in respect of the Receiver's accounting.
26. The Receiver was provided materials from all possible sources (including Mr. Gaidhar), verified all advances, fees, interest and costs, and prepared an independent, cogent and detailed Report on the same.
27. The materials provided by Bob Gaidhar to Hillsboro in the March 11, 2021 Gaidhar Letter include the Receiver's accounting, but do not take issue or make contradiction to any particular provision of the Receiver's work.
28. In Hillsboro's view, there is no contest to the Receiver's accounting, the underlying loan agreements speak for themselves, and Hillsboro's deficiency is clear.

#### **Guarantees and Summary Judgment**


29. Pursuant to a guarantee dated June 6, 2018, Ceana Westwinds guaranteed the payment, on demand, of the obligations of Ceana Sunridge to HVI (the "**Ceana Westwinds Guarantee**"). A copy of this guarantee is attached as **Exhibit "8"**.
30. Pursuant to separate guarantees granted November 1, 2017, each of Mr. Gaidhar and Ms. Gaidhar guaranteed the payment, on demand, of the obligations of Ceana Sunridge to HVI related to Mortgage Facility 3 (the "**Mortgage Facility 3 Guarantees**"). Copies of these guarantees are attached as **Exhibit "9"**.
31. Pursuant to a guarantee dated July 28, 2017, Mr. Gaidhar guaranteed the payment, on demand, of the obligations of Ceana Sunridge to HVI related to Mortgage Facility 2 (the "**Mortgage Facility 2 Guarantee**"). A copy of this guarantee is attached as **Exhibit "10"**.
32. Pursuant to a guarantee dated January 6, 2017, Mr. Gaidhar guaranteed the payment, on demand, of the obligations of Ceana Sunridge to HVI related to Mortgage Facility 1 (the "**Mortgage Facility 1 Guarantee**"). A copy of this guarantee is attached as **Exhibit "11"**.
33. Copies of searches of the Alberta Personal Property Registry for each of Ceana Sunridge, Ceana Westwinds, Mr. Gaidhar, and Ms. Gaidhar are attached as **Exhibit "12"**.
34. I have reviewed the statements of defence filed by the Guarantors, and verily believe there is no merit in any of the defences put forward.
35. In particular, with respect to the assertion by Ms. Gaidhar that she lacked capacity at the time of execution of the documents, at no time when Hillsboro was dealing with Ceana Sunridge or the Gaidhars in connection with the mortgage facilities and guarantees was Hillsboro ever advised that Ms. Gaidhar lacked capacity or was party to an enduring power of attorney.
36. At no point in time was Hillsboro ever advised that Ms. Gaidhar suffered from any illness or condition that would impact on her cognitive functioning or her ability to understand the guarantee she provided and documents she signed.
37. In unrelated legal proceedings to these, I note that Yasmin Gaidhar is conducting litigation in her own name, and not in the name of her enduring attorney. Those materials were filed in 2019, under Court Action 1901-02371.
38. For reference, a copy of an Affidavit of Bob Gaidhar, filed in Court Action 1901-02371 is attached hereto, marked as **Exhibit "13"**. That affidavit, at the second paragraph, talks about meetings attended by Bob and Yasmin Gaidhar regarding "a possible business opportunity" in August 2016.



That Affidavit talks about how Bob and Yasmin Gaidhar agreed to invest in and remain the owners of a project, “and to maintain the majority control of the project at all times.”

39. That affidavit describes how Yasmin Gaidhar is a shareholder and director of several corporations.
40. That Affidavit encloses a distribution agreement signed by Yasmin Gaidhar in her own name on February 2, 2017. [See page 85 of that Affidavit].
41. This material clearly contradicts the suggestion by Yasmin Gaidhar that she has been incapacitated since 2014. Yasmin Gaidhar not only carried on business directly with Hillsboro in 2017, without any person raising this concern at the time, but has shown a pattern of such conduct with her other business dealings.
42. I make this affidavit in support of Hillsboro's application for deficiency judgment and judgment against the Guarantors and for no improper purpose.

SWORN/AFFIRMED BEFORE ME at the  
City of Calgary, in the Province of Alberta  
this 19<sup>th</sup> day of March, 2021.

  
(Commissioner of Oaths in and for the  
Province of Alberta)

Derek Pontin  
Barrister and Solicitor

Keith Ferrel

THIS IS EXHIBIT "1"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

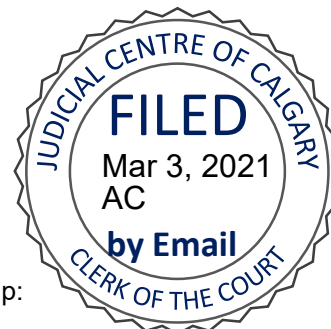
Sworn before me this 19 day of March, 2021



A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

*Derek Pontin*  
Barrister and Solicitor

# ENTERED



## RECEIVER'S CLOSING CERTIFICATE

Clerk's Stamp:

COURT FILE NUMBER	1801-04745	COM April 12 2021 J. Romaine
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	26788
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HILLSBORO VENTURES INC.	
DEFENDANTS	CEANA DEVELOPMENT SUNRIDGE INC.	

### DOCUMENT

### RECEIVER'S CLOSING CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

Dentons Canada LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
Attn: Derek Pontin  
Ph. (403) 268-6301 Fx. (403) 268-3100  
File No.: 559316-3

## RECITALS

- A. Pursuant to an Order of the Honourable Justice Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated July 3, 2019, as amended and restated on June 17, 2020, Alvarez and Marsal Canada Inc. was appointed as receiver and manager (the "Receiver") of the undertakings, property and assets of Ceana Development Sunridge Inc. (the "Debtor").
- B. Pursuant to an Order of the Court dated January 14, 2021 (the "Sale Order"), the Court approved the Transaction (as defined in the Sale Order) between the Receiver and Hillsboro Ventures Inc., or its nominee (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming that the Closing Conditions (as defined in the Sale Order) have been fulfilled.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Order.

**THE RECEIVER CERTIFIES** the following:

1. The Closing Conditions set out in the Sale Order have been fulfilled.
2. The Transaction has been completed to the satisfaction of the Receiver.
3. This Certificate was delivered by the Receiver to Dentons Canada LLP, 15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada, on February 19, 2021.

**Alvarez and Marsal Canada Inc. in its capacity  
as Receiver of the undertakings, property and  
assets of Ceana Development Sunridge Inc. and  
not in its personal capacity.**

Per:



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Name: Orest Konowalchuk  
Title: Senior Vice President




THIS IS EXHIBIT "2"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



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A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

**Ceana Development Sunridge Inc. (in Receivership)**  
**Summary of Receiver's Certificate Loan Balance**  
**As at February 19, 2021**  
**CAD \$'s (unaudited)**

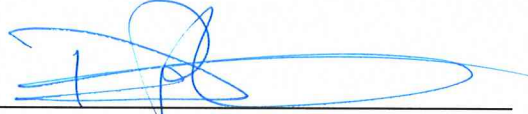
<b>RC Number</b>	<b>Principle</b>	<b>Interest</b>	<b>Total Balance</b>
RC #1	195,435.26	29,117.27	224,552.53
RC #2	750,000.00	104,950.93	854,950.93
RC #3	1,300,000.00	128,720.43	1,428,720.43
RC #4	1,000,000.00	83,820.67	1,083,820.67
RC #5	1,250,000.00	66,758.57	1,316,758.57
RC #6	1,000,000.00	24,033.29	1,024,033.29
	<b>\$ 5,495,435.26</b>	<b>\$ 437,401.16</b>	<b>\$ 5,932,836.42</b>

THIS IS EXHIBIT "3"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



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A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

Exhibit 5: \$2M Facility Interest Schedule							
Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,300,000.00	\$ -	(270,000.00)
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	\$ (248,816.13)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	\$ (227,216.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	\$ (195,116.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	\$ (163,016.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	\$ (130,916.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	\$ (98,816.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	\$ (66,716.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	\$ (34,616.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	\$ (2,516.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	\$ 29,583.87
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	\$ 62,127.63
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	\$ 127,709.54
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	\$ 161,725.19
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	\$ 196,251.06
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	\$ 231,294.83
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	\$ 266,864.25
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	\$ 338,142.22
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	\$ 375,314.35
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	\$ 413,044.07
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	\$ 488,089.73
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	\$ 527,511.07
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	\$ 567,523.74
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	\$ 644,886.59
July 1 2019	18%	\$ 39,673.30	\$ -	\$ 2,100	\$ 2,686,659.89	\$ 762,934.89	\$ 686,659.89
August 1 2019	18%	\$ 40,299.90	\$ -	\$ 2,100	\$ 2,729,059.79	\$ 803,234.79	\$ 729,059.79
September 1 2019	18%	\$ 40,935.90	\$ 36,750	\$ 2,100	\$ 2,808,845.69	\$ 844,170.69	\$ 808,845.69
October 1 2019	18%	\$ 42,132.69	\$ -	\$ 2,100	\$ 2,853,078.37	\$ 886,303.37	\$ 853,078.37
November 1 2019	18%	\$ 42,796.18	\$ -	\$ 2,100	\$ 2,897,974.55	\$ 929,099.55	\$ 897,974.55
December 1 2019	18%	\$ 43,469.62	\$ 36,750	\$ 2,100	\$ 2,980,294.17	\$ 972,569.17	\$ 980,294.17
January 1 2020	18%	\$ 44,704.41	\$ -	\$ 2,100	\$ 3,027,098.58	\$ 1,017,273.58	\$ 1,027,098.58
February 1 2020	18%	\$ 45,406.48	\$ -	\$ 2,100	\$ 3,074,605.06	\$ 1,062,680.06	\$ 1,074,605.06
March 1 2020	18%	\$ 46,119.08	\$ 36,750	\$ 2,100	\$ 3,159,574.13	\$ 1,108,799.13	\$ 1,159,574.13
April 1 2020	18%	\$ 47,393.61	\$ -	\$ 2,100	\$ 3,209,067.75	\$ 1,156,192.75	\$ 1,209,067.75
May 1 2020	18%	\$ 48,136.02	\$ -	\$ 2,100	\$ 3,259,303.76	\$ 1,204,328.76	\$ 1,259,303.76
June 1 2020	18%	\$ 48,889.56	\$ 36,750	\$ 2,100	\$ 3,347,043.32	\$ 1,253,218.32	\$ 1,347,043.32
July 1 2020	18%	\$ 50,205.65	\$ -	\$ 2,100	\$ 3,399,348.97	\$ 1,303,423.97	\$ 1,399,348.97
August 1 2020	18%	\$ 50,990.23	\$ -	\$ 2,100	\$ 3,452,439.20	\$ 1,354,414.20	\$ 1,452,439.20
September 1 2020	18%	\$ 51,786.59	\$ 36,750	\$ 2,100	\$ 3,543,075.79	\$ 1,406,200.79	\$ 1,543,075.79
October 1 2020	18%	\$ 53,146.14	\$ -	\$ 2,100	\$ 3,598,321.93	\$ 1,459,346.93	\$ 1,598,321.93
November 1 2020	18%	\$ 53,974.83	\$ -	\$ 2,100	\$ 3,654,396.76	\$ 1,460,175.62	\$ 1,654,396.76
DEC 1 2020	18%	\$ 54,815.95	\$ 36,750	\$ 2,100	\$ 3,748,062.71	\$ 1,514,162.88	\$ 1,748,062.71
JAN 1 2021	18%	\$ 56,220.94		\$ 2,100	\$ 3,806,383.65	\$ 1,516,396.56	\$ 1,806,383.65
FEB 1 2021	18%	\$ 57,095.75	\$ -	\$ 2,100	\$ 3,865,579.40	\$ 1,571,258.63	\$ 1,807,258.46
FEB 19 2021	18%	\$ 35,665.29	\$ -	\$ -	\$ 3,901,244.70	\$ 1,606,923.93	\$ 1,842,048.94
PER DIEM FEB 19 2021	18%	\$ 1,923.90					



THIS IS EXHIBIT "4"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021

A handwritten signature in blue ink, appearing to be 'D. Pontin', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

November 6, 2020

**VIA E-MAIL**

Glenn & Card Law LLP  
100 - 2886 Sunridge Way NE  
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

**Re: In the Matter of the Receivership Proceedings of Ceana Development Sunridge Inc.  
Alberta Court of Queen's Bench Action No. 1801-04745  
Commercial Condominium Project located at 2255 – 32 Street NE, Calgary, Alberta (the "Project")**

Further to the email of your client, Bob Gaidhar, dated November 3, 2020, and his queries noted therein, we have set forth below responses to same for your/his consideration. As noted, most of the inquiries that Mr. Gaidhar proposed have been asked and answered, previously. Nonetheless, we will again respond to his questions and requests; however, we would appreciate it if Mr. Gaidhar would be cognizant of the costs that are being incurred to the detriment of the receivership estate as a result of the Receiver having to prepare letters/responses for queries which the Receiver has already spent a tremendous amount of time to attend to and answer in the past.

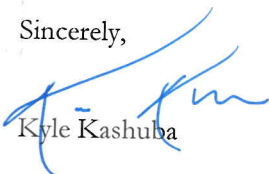
	Mr. Gaidhar's Query	Receiver's Responses / Follow-up Queries
1.	Firstly, you have confirmed that your numbers are very close to the numbers Hillsboro is claiming. I want to see your details as to how you arrived at those numbers.	On October 25, 2020, the Receiver provided Mr. Gaidhar with its schedules that outline in great detail how the Receiver arrived at the numbers that it did, and which source documentation was used to do complete these schedules. If Mr. Gaidhar would like to see specific source documentation, we kindly request that he provide the Receiver with a list of what exactly it is that he is looking for – the Receiver would be pleased to share same with him. For ease of reference, we have re-attached the Receiver's schedules, which, as noted, were provided to Mr. Gaidhar previously – please see Exhibit "A" for same.
2.	Our forensic accounting summary was filed with the court on Friday which clearly indicates the amount that was advanced from	Could you please share the subject analysis in Excel form? It would be helpful for the Receiver's review.

	the mortgages. The project was starved of funding.	
3.	Secondly, I need the details of the project sales, if fully sold and the cost of construction including all receiver fees and legal fees estimations as I am obliged to provide this to my investors.  I need full analysis based on future sales.	The Receiver intends to provide Mr. Gaidhar with an updated analysis on what was previously provided to Mr. Gaidhar on this request, in due course. Mr. Gaidhar can expect to have same by the end of next week (November 13, 2020).
4.	Since the project has really delayed, why would it incur the interest.	Based on the Receiver's knowledge on how loans generally work, the delay of the Project does not stop the calculation of interest.  The Receiver has noted that interest accrues per the terms of the signed mortgage agreements. If there is some authority that Mr. Gaidhar is relying on that relieves the Debtor of the obligation to pay interest, please advise.
5.	Thirdly, I need to know how you went forward and decide the changes regarding the 5th building. To me the 2nd and 3rd report does not give me full details.	The Receiver provided its rationale in the Receiver's Second Report as well as in the letter we sent to you on April 22, 2020 – a copy of which is attached hereto as Exhibit "B".  All stakeholders agreed that this was the best approach and no concerns were raised in Court during the subject Application.

In addition, please note that the Receiver may update the Source and Uses Analysis if it receives additional information from Mr. Gaidhar or other stakeholders that warrants an update to the Court. In addition, the Receiver disclosed all of the information related to the Source and Uses Analysis in its possession in Appendix F of the Receiver's Third Report. We encourage Mr. Gaidhar to review this information closely and carefully, and to specify any issue or issues that he takes with same.

We trust that the foregoing is clear, but should you have any questions or comments, please advise. Also, we would appreciate it if you could kindly confirm receipt of this letter.

Sincerely,



Kyle Kashuba

KK/enclosures

cc: The Receiver, Attention: Orest Konowalchuk and David Williams (via email)

**Exhibit "A"**  
**Receiver's Analysis Schedules**

*[See attached]*



**Ceana Development Sunridge Inc. (in receivership)**  
**Analysis of Hillsboro Secured Claim Quantum as at June 5, 2019**

**DRAFT AND CONFIDENTIAL**  
**FOR DISCUSSION PURPOSES ONLY**

**Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at June 5, 2019**

**Ceana Development Sunridge Inc. (in Receivership)**

**CAD \$'s (unaudited)**

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
<b>BLG Trust Account Advances</b>						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
<b>Total Advances</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 6,500,000</b>		
<b>BLG Trust Account Disbursements</b>						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)	1	1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)	2	5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
<b>Total Disbursements</b>	<b>A \$ (3,000,000)</b>	<b>\$ (2,000,000)</b>	<b>\$ (1,500,000)</b>	<b>\$ (6,500,000)</b>		
<b>Accrued Interest and Fees</b>						
Estimated Compound Interest - Loan Advance Date to June 5, 2020	(1,428,854)	(729,783)	(626,685)	(2,785,322)	3	3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(141,225)	(84,000)	(292,725)		9
Monitoring Fees	(229,950)	(52,500)	(55,125)	(337,575)		5, 7, 9
<b>Total Accrued Interest and Fees</b>	<b>B \$ (1,176,304)</b>	<b>\$ (653,508)</b>	<b>\$ (563,310)</b>	<b>\$ (2,393,122)</b>		
Dentons Trust Funds deducted from Total Loan Accrual	C -	-	664,626	664,626		12
<b>Estimated Amount Outstanding as at June 5, 2019</b>	<b>(A+B+C) \$ (4,176,304)</b>	<b>\$ (2,653,508)</b>	<b>\$ (1,398,684)</b>	<b>\$ (8,228,496)</b>		

**Notes**

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.

**Source Documents Referenced for Analysis**

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel (Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

**Note:**

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

**Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest**

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	<b>1</b>	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
<b>Total Funds Advanced</b>	<b>\$ 3,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)	<b>2,3,4</b>	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	<b>\$ (3,000,000.00)</b>		
Compound Interest - Jan 12, 2017 Advance Date to June 5, 2019	(1,428,853.93)	<b>5</b>	A&M Estimate. \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4); Ferrel affidavit of default (Page : Para.3/4/5).
Add back amount withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Forbearance and Legal Fees	(67,500.00)		Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to June 5, 2019)	(229,950.00)		Forbearance Agreement - Article 3.3(m).
	<b>\$ (1,176,303.93)</b>		
<b>Total Estimated Amount Outstanding Under Loan #1 As of June 5, 2019</b>	<b>\$ (4,176,303.93)</b>		

**Notes**

- 1 - Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 ( As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement

**Exhibit 3: \$3M Facility (Loan # 1) Interest Schedule**

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 3,000,000.00	\$ -	(550,000.00)
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	(520,967.74)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	(475,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	(430,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	(385,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	(340,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	(295,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	(250,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	(205,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	(160,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	(115,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	(70,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	(16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	263,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	583,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,527.67	859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	1,152,415.09
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 10,238.83	\$ -	\$ 13,650	\$ 4,176,303.93	\$ 1,428,853.93	1,176,303.93

Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest			
	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
<b>Funds Received</b>	<b>2,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	<b>\$ (2,000,000.00)</b>		
Compound Interest - July 5, 2017 Accrual Date to June 5, 2019	(729,783.23)	<b>1,2,3,4</b>	A&M Estimation. \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	<b>5</b>	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to June 5, 2019)	(141,225.00)	<b>6,7</b>	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to June 5 2019)	(52,500.00)	<b>7</b>	\$2.0M Facility Loan Commitment Letter (Page 4).
	<b>\$ (653,508.23)</b>		
<b>Total Estimated Amount Outstanding Under Loan #2 As of June 5, 2019</b>	<b>\$ (2,653,508.23)</b>		

#### Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5: \$2M Facility Interest Schedule

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,300,000.00	\$ -	(270,000.00)
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	(248,816.13)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	(227,216.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	(195,116.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	(163,016.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	(130,916.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	(98,816.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	(66,716.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	(34,616.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	(2,516.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	29,583.87
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	62,127.63
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	127,709.54
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	161,725.19
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	196,251.06
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	231,294.83
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	266,864.25
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	338,142.22
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	375,314.35
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	413,044.07
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	488,089.73
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	527,511.07
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	567,523.74
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	644,886.59
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 6,521.64	\$ -	\$ 2,100	\$ 2,653,508.23	\$ 729,783.23	653,508.23

**Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest**

	Loan 3	Notes	Source Document(s)
<b>Principle Amount of Loan</b>	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
<b>Disbursed and Withheld by BLG</b>			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	<b>\$ (1,500,000.00)</b>		
Compound Interest - November 7, 2017 Advance Date to June 5, 2019	(626,684.66)	<b>1,2,3</b>	A&M Estimation. \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Forbearance Fees (Up to June 5 2019)	(84,000.00)	<b>4</b>	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to June 5 2019)	(55,125.00)	<b>5</b>	\$1.5M Facility Loan Commitment Letter (Page 4)
	<b>\$ (563,309.66)</b>		
<b>Total Amount Outstanding Under Loan #3 As of June 5, 2019</b>	<b>\$ (2,063,309.66)</b>		

**Notes**

1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017

2 - Interest assumed to be 30% compounded monthly from October 9 2018 to June 5, 2019

3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.

4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

**Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly**

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,500,000.00	\$ -	(202,500.00)
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 173,467.74	(8,032.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 195,967.74	17,092.74
August 1 2018	18%	\$ 22,756.39	\$ -	\$ 2,625	\$ 1,542,474.13	\$ 218,724.13	42,474.13
September 1 2018	18%	\$ 23,137.11	\$ -	\$ 2,625	\$ 1,568,236.25	\$ 241,861.25	68,236.25
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ 2,625	\$ 1,619,584.79	\$ 265,384.79	119,584.79
November 1 2018 (30% interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ 2,625	\$ 1,658,519.83	\$ 301,694.83	158,519.83
December 1 2018	30%	\$ 41,463.00	\$ -	\$ 2,625	\$ 1,702,607.83	\$ 343,157.83	202,607.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ 2,625	\$ 1,747,798.03	\$ 385,723.03	247,798.03
February 1 2019	30%	\$ 43,694.95	\$ -	\$ 2,625	\$ 1,794,117.98	\$ 429,417.98	294,117.98
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ 2,625	\$ 1,869,945.93	\$ 474,270.93	369,945.93
April 1 2019	30%	\$ 46,748.65	\$ -	\$ 2,625	\$ 1,919,319.57	\$ 521,019.57	419,319.57
May 1 2019	30%	\$ 47,982.99	\$ -	\$ 2,625	\$ 1,969,927.56	\$ 569,002.56	469,927.56
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ 2,625	\$ 2,052,250.75	\$ 618,250.75	552,250.75
July 1 2019 (For June 1 - June 5 Period]	30%	\$ 8,433.91	\$ -	\$ 2,625	\$ 2,063,309.66	\$ 626,684.66	563,309.66

**Dentons Trust Account Summary**

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(51,337)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
<b>Closing Funds</b>	<b>\$ 664,626</b>



**Ceana Development Sunridge Inc. (in receivership)**  
**Analysis of Hillsboro Secured Claim Quantum as at October 31, 2020**

**DRAFT AND CONFIDENTIAL**  
**FOR DISCUSSION PURPOSES ONLY**

**Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at October 31, 2020**  
**Ceana Development Sunridge Inc. (in Receivership)**  
**CAD \$'s (unaudited)**

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
<b>BLG Trust Account Advances</b>						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
<b>Total Advances</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 6,500,000</b>		
<b>BLG Trust Account Disbursements</b>						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)	1	1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)	2	5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
<b>Total Disbursements</b>	<b>A \$ (3,000,000)</b>	<b>\$ (2,000,000)</b>	<b>\$ (1,500,000)</b>	<b>\$ (6,500,000)</b>		
<b>Accrued Interest and Fees</b>						
Estimated Compound Interest - Loan Advance Date to October 31, 2020	(2,644,644)	(1,513,322)	(1,617,685)	(5,775,651)	3	3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(324,975)	(236,250)	(628,725)		9
Monitoring Fees	(434,700)	(84,000)	(94,500)	(613,200)		5, 7, 9
<b>Total Accrued Interest and Fees</b>	<b>B \$ (2,596,844)</b>	<b>\$ (1,652,297)</b>	<b>\$ (1,745,935)</b>	<b>\$ (5,995,076)</b>		
Repayment of Dentons Trust Funds to Hillsboro	C -	-	611,986	611,986	5	12
<b>Estimated Amount Outstanding as at October 31, 2020</b>	<b>(A+B+C) \$ (5,596,844)</b>	<b>\$ (3,652,297)</b>	<b>\$ (2,633,950)</b>	<b>\$ (11,883,090)</b>		

**Notes**

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield.
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty.
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.
- 5 - Trust funds paid to Hillsboro on April 9, 2020.

**Source Documents Referenced for Analysis**

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel (Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

**Note:**

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest			
	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
<b>Total Funds Advanced</b>	<b>\$ 3,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)	2,3,4	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	<b>\$ (3,000,000.00)</b>		
Compound Interest - Jan 12, 2017 Advance Date to October 31, 2020	(2,644,643.56)	5	A&M Estimate. \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4); Ferrel affidavit of default (Page 2 Para.3/4/5).
Add back amount withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Forbearance and Legal Fees	(67,500.00)		Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to October 31, 2020)	(434,700.00)		Forbearance Agreement - Article 3.3(m).
	<b>\$ (2,596,843.56)</b>		
<b>Total Estimated Amount Outstanding Under Loan #1 As of October 31 2020</b>	<b>\$ (5,596,843.56)</b>		

#### Notes

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 ( As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1)
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement .

Exhibit 3: \$3M Facility (Loan # 1) - Interest Schedule							
Interest Accrual Date	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 3,000,000.00	\$ -	(550,000.00)
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	(520,967.74)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	(475,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	(430,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	(385,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	(340,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	(295,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	(250,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	(205,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	(160,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	(115,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	(70,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	(16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	263,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	583,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,527.67	859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	1,152,415.09
July 1 2019	18%	\$ 62,286.23	\$ -	\$ 13,650	\$ 4,228,351.32	\$ 1,480,901.32	1,228,351.32
August 1 2019	18%	\$ 63,425.27	\$ -	\$ 13,650	\$ 4,305,426.59	\$ 1,544,326.59	1,305,426.59
September 1 2019	18%	\$ 64,581.40	\$ -	\$ 13,650	\$ 4,383,657.99	\$ 1,608,907.99	1,383,657.99
October 1 2019	18%	\$ 65,754.87	\$ -	\$ 13,650	\$ 4,463,062.86	\$ 1,674,662.86	1,463,062.86
November 1 2019	18%	\$ 66,945.94	\$ -	\$ 13,650	\$ 4,543,658.80	\$ 1,741,608.80	1,543,658.80
December 1 2019	18%	\$ 68,154.88	\$ -	\$ 13,650	\$ 4,625,463.68	\$ 1,809,763.68	1,625,463.68
January 1 2020	18%	\$ 69,381.96	\$ -	\$ 13,650	\$ 4,708,495.64	\$ 1,879,145.64	1,708,495.64
February 1 2020	18%	\$ 70,627.43	\$ -	\$ 13,650	\$ 4,792,773.07	\$ 1,949,773.07	1,792,773.07
March 1 2020	18%	\$ 71,891.60	\$ -	\$ 13,650	\$ 4,878,314.67	\$ 2,021,664.67	1,878,314.67
April 1 2020	18%	\$ 73,174.72	\$ -	\$ 13,650	\$ 4,965,139.39	\$ 2,094,839.39	1,965,139.39
May 1 2020	18%	\$ 74,477.09	\$ -	\$ 13,650	\$ 5,053,266.48	\$ 2,169,316.48	2,053,266.48
June 1 2020	18%	\$ 75,799.00	\$ -	\$ 13,650	\$ 5,142,715.48	\$ 2,245,115.48	2,142,715.48
July 1 2020	18%	\$ 77,140.73	\$ -	\$ 13,650	\$ 5,233,506.21	\$ 2,322,256.21	2,233,506.21
August 1 2020	18%	\$ 78,502.59	\$ -	\$ 13,650	\$ 5,325,658.80	\$ 2,400,758.80	2,325,658.80
September 1 2020	18%	\$ 79,884.88	\$ -	\$ 13,650	\$ 5,419,193.68	\$ 2,480,643.68	2,419,193.68
October 1 2020	18%	\$ 81,287.91	\$ -	\$ 13,650	\$ 5,514,131.59	\$ 2,561,931.59	2,514,131.59
November 1 2020	18%	\$ 82,711.97	\$ -	\$ -	\$ 5,596,843.56	\$ 2,644,643.56	2,596,843.56

**Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest**

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
<b>Funds Received</b>	<b>2,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	<b>\$ (2,000,000.00)</b>		
Compound Interest - July 5, 2017 Accrual Date to October 31, 2020	(1,513,321.76)	1,2,3,4	A&M Estimation. \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to October 31 2020)	(324,975.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to October 31 2020)	(84,000.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	<b>\$ (1,652,296.76)</b>		
<b>Total Estimated Amount Outstanding Under Loan #2 As of October 31, 2020</b>	<b>\$ (3,652,296.76)</b>		

**Notes**

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

**Exhibit 5: \$2M Facility Interest Schedule**

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,300,000.00	\$ -	(270,000.00)
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	(248,816.13)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	(227,216.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	(195,116.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	(163,016.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	(130,916.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	(98,816.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	(66,716.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	(34,616.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	(2,516.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	29,583.87
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	62,127.63
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	127,709.54
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	161,725.19
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	196,251.06
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	231,294.83
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	266,864.25
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	338,142.22
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	375,314.35
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	413,044.07
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	488,089.73
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	527,511.07
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	567,523.74
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	644,886.59
July 1 2019	18%	\$ 39,673.30	\$ -	\$ 2,100	\$ 2,686,659.89	\$ 762,934.89	686,659.89
August 1 2019	18%	\$ 40,299.90	\$ -	\$ 2,100	\$ 2,729,059.79	\$ 803,234.79	729,059.79
September 1 2019	18%	\$ 40,935.90	\$ 36,750	\$ 2,100	\$ 2,808,845.69	\$ 844,170.69	808,845.69
October 1 2019	18%	\$ 42,132.69	\$ -	\$ 2,100	\$ 2,853,078.37	\$ 886,303.37	853,078.37
November 1 2019	18%	\$ 42,796.18	\$ -	\$ 2,100	\$ 2,897,974.55	\$ 929,099.55	897,974.55
December 1 2019	18%	\$ 43,469.62	\$ 36,750	\$ 2,100	\$ 2,980,294.17	\$ 972,569.17	980,294.17
January 1 2020	18%	\$ 44,704.41	\$ -	\$ 2,100	\$ 3,027,098.58	\$ 1,017,273.58	1,027,098.58
February 1 2020	18%	\$ 45,406.48	\$ -	\$ 2,100	\$ 3,074,605.06	\$ 1,062,680.06	1,074,605.06
March 1 2020	18%	\$ 46,119.08	\$ 36,750	\$ 2,100	\$ 3,159,574.13	\$ 1,108,799.13	1,159,574.13
April 1 2020	18%	\$ 47,393.61	\$ -	\$ 2,100	\$ 3,209,067.75	\$ 1,156,192.75	1,209,067.75
May 1 2020	18%	\$ 48,136.02	\$ -	\$ 2,100	\$ 3,259,303.76	\$ 1,204,328.76	1,259,303.76
June 1 2020	18%	\$ 48,889.56	\$ 36,750	\$ 2,100	\$ 3,347,043.32	\$ 1,253,218.32	1,347,043.32
July 1 2020	18%	\$ 50,205.65	\$ -	\$ 2,100	\$ 3,399,348.97	\$ 1,303,423.97	1,399,348.97
August 1 2020	18%	\$ 50,990.23	\$ -	\$ 2,100	\$ 3,452,439.20	\$ 1,354,414.20	1,452,439.20
September 1 2020	18%	\$ 51,786.59	\$ 36,750	\$ 2,100	\$ 3,543,075.79	\$ 1,406,200.79	1,543,075.79
October 1 2020	18%	\$ 53,146.14	\$ -	\$ 2,100	\$ 3,598,321.93	\$ 1,459,346.93	1,598,321.93
November 1 2020	18%	\$ 53,974.83	\$ -	\$ -	\$ 3,652,296.76	\$ 1,513,321.76	1,652,296.76

**Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest**

	Loan 3	Notes	Source Document(s)
<b>Principle Amount of Loan</b>	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
<b>Disbursed and Withheld by BLG</b>			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	<b>\$ (1,500,000.00)</b>		
Compound Interest - November 7, 2017 Advance Date to October 31, 2020	(1,617,685.48)	<b>1,2,3</b>	A&M Estimation. \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Payment of trust funds to Hillsboro	611,985.94		Dentons Trust account statement
Forbearance Fees (Up to October 31 2020)	(236,250.00)	<b>4</b>	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to October 31 2020)	(94,500.00)	<b>5</b>	\$1.5M Facility Loan Commitment Letter (Page 4)
	<b>\$ (1,133,949.54)</b>		
<b>Total Amount Outstanding Under Loan #3 As of October 31, 2020</b>	<b>\$ (2,633,949.54)</b>		

**Notes**

1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017.

2 - Interest assumed to be 30% compounded monthly from October 9 2018 to October 31, 2020

3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.

4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

**Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly**

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,500,000.00	\$ -	(202,500.00)
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 173,467.74	(8,032.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 195,967.74	17,092.74
August 1 2018	18%	\$ 22,756.39	\$ -	\$ 2,625	\$ 1,542,474.13	\$ 218,724.13	42,474.13
September 1 2018	18%	\$ 23,137.11	\$ -	\$ 2,625	\$ 1,568,236.25	\$ 241,861.25	68,236.25
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ 2,625	\$ 1,619,584.79	\$ 265,384.79	119,584.79
November 1 2018 (30% interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ 2,625	\$ 1,658,519.83	\$ 301,694.83	158,519.83
December 1 2018	30%	\$ 41,463.00	\$ -	\$ 2,625	\$ 1,702,607.83	\$ 343,157.83	202,607.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ 2,625	\$ 1,747,798.03	\$ 385,723.03	247,798.03
February 1 2019	30%	\$ 43,694.95	\$ -	\$ 2,625	\$ 1,794,117.98	\$ 429,417.98	294,117.98
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ 2,625	\$ 1,869,945.93	\$ 474,270.93	369,945.93
April 1 2019	30%	\$ 46,748.65	\$ -	\$ 2,625	\$ 1,919,319.57	\$ 521,019.57	419,319.57
May 1 2019	30%	\$ 47,982.99	\$ -	\$ 2,625	\$ 1,969,927.56	\$ 569,002.56	469,927.56
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ 2,625	\$ 2,052,250.75	\$ 618,250.75	552,250.75
July 1 2019	30%	\$ 51,306.27	\$ -	\$ 2,625	\$ 2,106,182.02	\$ 669,557.02	606,182.02
August 1 2019	30%	\$ 52,654.55	\$ -	\$ 2,625	\$ 2,161,461.57	\$ 722,211.57	661,461.57
September 1 2019	30%	\$ 54,036.54	\$ 30,450	\$ 2,625	\$ 2,248,573.11	\$ 776,248.11	748,573.11
October 1 2019	30%	\$ 56,214.33	\$ -	\$ 2,625	\$ 2,307,412.44	\$ 832,462.44	807,412.44
November 1 2019	30%	\$ 57,685.31	\$ -	\$ 2,625	\$ 2,367,722.75	\$ 890,147.75	867,722.75
December 1 2019	30%	\$ 59,193.07	\$ 30,450	\$ 2,625	\$ 2,459,990.82	\$ 949,340.82	959,990.82
January 1 2020	30%	\$ 61,499.77	\$ -	\$ 2,625	\$ 2,524,115.59	\$ 1,010,840.59	1,024,115.59
February 1 2020	30%	\$ 63,102.89	\$ -	\$ 2,625	\$ 2,589,843.48	\$ 1,073,943.48	1,089,843.48
March 1 2020	30%	\$ 64,746.09	\$ 30,450	\$ 2,625	\$ 2,687,664.57	\$ 1,138,689.57	1,187,664.57
Principle adjustment - payment to Hillsboro from Dentons Trust					\$ (611,985.94)	\$	(611,985.94)
April 1 2020	30%	\$ 67,191.61	\$ -	\$ 2,625	\$ 2,145,495.24	\$ 1,205,881.18	1,257,481.18
May 1 2020	30%	\$ 53,637.38	\$ -	\$ 2,625	\$ 2,201,757.62	\$ 1,259,518.56	1,313,743.56
June 1 2020	30%	\$ 55,043.94	\$ 30,450	\$ 2,625	\$ 2,289,876.56	\$ 1,314,562.50	1,401,862.50
July 1 2020	30%	\$ 57,246.91	\$ -	\$ 2,625	\$ 2,349,748.48	\$ 1,371,809.42	1,461,734.42
August 1 2020	30%	\$ 58,743.71	\$ -	\$ 2,625	\$ 2,411,117.19	\$ 1,430,553.13	1,523,103.13
September 1 2020	30%	\$ 60,277.93	\$ 30,450	\$ 2,625	\$ 2,504,470.12	\$ 1,490,831.06	1,616,456.06
October 1 2020	30%	\$ 62,611.75	\$ -	\$ 2,625	\$ 2,569,706.87	\$ 1,553,442.81	1,681,692.81
November 1 2020	30%	\$ 64,242.67	\$ -	\$ -	\$ 2,633,949.54	\$ 1,617,685.48	1,745,935.48

**Dentons Trust Account Summary**

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(103,977)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
Transfer of Funds to Hillsboro on April 9, 2020	(611,986)
<b>Closing Funds</b>	<b>\$ -</b>



THIS IS EXHIBIT "5"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

大成 DENTONS

Derek Pontin

derek.pontin@dentons.com  
D +1 403 268 6301

Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

March 2, 2021

File No.: 559316-3

**SENT VIA E-MAIL:** tfglenn@lgc-law.com

Low, Glenn & Card LLP  
100, 2886 Sunridge Way NE  
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

**RE: Hillsboro Ventures Inc. v. Ceana Development Sunridge Inc.  
QB Action No. 1801-04745**

We write further to the hearing before Honourable Justice Eidsvik on February 25, 2021. You will recall Her Ladyship suggested a meeting take place among Mr. Gaidhar and Hillsboro to discuss Hillsboro's accounting.

The Receiver's counsel has now reached out and invited our clients and their respective accounting advisors to convene for a meeting. We are willing to discuss the propriety of a meeting, but there are preliminary issues that must first be addressed.

At the hearing, you will recall the Receiver's counsel mentioned there were more than a dozen correspondences sent to your office by the Receiver with varied inquiries for Mr. Gaidhar. The Receiver has asked on numerous occasions for particulars of Mr. Gaidhar's concerns with the Hillsboro accounting. In the Receiver's Second Report, from June 2020, the Receiver attached much of that correspondence. The Receiver has confirmed your client's lack of response. At the last hearing you had no answer for why all those letters have been ignored.

Over the same period, Hillsboro has provided to the Receiver and your client its full and complete disclosure of all loan documentation and accounting records. The Receiver reviewed everything in significant detail and confirmed its agreement with Hillsboro's accounting. That is reported in the Receiver's Fourth Report. It suffices to say Hillsboro has nothing further to add. Hillsboro notes no discrepancies; we have no questions. The accounting has been reviewed and approved.

We have reviewed the accounting provided (and filed) by Bob Gaidhar (Exhibit "D" to his Affidavit of October 30, 2020). That material has been referred to as a "report" of your client's accountant, but it is not. The material does not demonstrate any meaningful analysis nor provide any conclusion. In parts it is illegible. We are unable to respond to any particular concerns of Mr. Gaidhar as they are not evident in those materials. No specific questions have ever been put to Hillsboro in respect of any accounting "discrepancies", as defined in the Receiver's latest correspondence.

In light of the foregoing, Hillsboro is willing to attend a call with your clients and their accountant, but there will only be a purpose to that if your clients can provide particulars of their concerns with the accounting. As noted above, Hillsboro's accounting has already been reviewed and accepted by the Receiver. We have nothing to add at this time. If a call is to have any point, Mr. Gaidhar needs to specify what his issues are, so that we can review and discuss.

In furtherance of the foregoing, we ask that Mr. Gaidhar's concerns be particularized for Hillsboro in writing, with specific reference to available accounting documentation. In particular, and without limitation, we ask that Mr. Gaidhar specify the paragraphs of Hillsboro's mortgages and loan agreements, and/or the Forbearance Agreement, that are contrary to Hillsboro's accounting. We can then see where the gaps or problems are, obtain further records if necessary, and alleviate or address any concerns. We note the Receiver reported, at paragraph 21 of its Fourth Report, that Mr. Gaidhar "will be providing the Receiver with additional evidence to support his position" regarding the accounting. This has been a long-standing complaint of your clients, yet no such evidence has been brought to Hillsboro's or the Receiver's attention.


Absent specific inquiries from your client, there is no purpose to us having a call – Hillsboro has nothing to add to its accounting, which has been proven by the Receiver already. Hillsboro will of course respond to any questions from Mr. Gaidhar, and address any elements of concern, but this requires Mr. Gaidhar to first make his position clear.

To ensure the progress of this matter, and in light of the scheduling of the balance of processes pending the June hearing dates, we ask for the foregoing particulars to be provided to us no later than March 11, 2021. We will endeavour to review the same and compile whatever information is necessary for return to you within 10 days after that. If a call is then warranted to discuss, we can set an agenda, date and time.

Absent any response, we can only take that as confirmation that your client is unable to substantiate his objections to our client's proven accounting.

We look forward to hearing from you.

Yours truly,  
**Dentons Canada LLP**

DocuSigned by:  
  
156B6CBFCA0D47B...

Derek Pontin

DMP

THIS IS EXHIBIT "6-A"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

# GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn  
Joseph N. Card  
M. James Tymchyshyn  
Jeffrey B. Woodruff

#100, 2886 Sunridge Way NE  
Calgary, Alberta T1Y 7H9  
Telephone: 403-291-2532  
Fax: 403-291-2534  
Real Estate Fax: 403-291-2614

March 11, 2021

File No. 03 9756 015  
*Via Email: derek.pontin@dentons.com*

**DENTONS CANADA LLP**  
15<sup>th</sup> Floor, 850 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8

**Attention: Derek Pontin**

Dear Sir:

**RE: Your File No.: 559316-3**  
**Mortgage claim by Hillsboro Ventures Inc.**  
**Ceana Development Sunridge Inc., Bahadur Gaidhar, and Yasmin Gaidhar**

We write today to respond to a number of issues.

## **Response to Undertakings**

Justice Eidsvik has required that we provide additional responses to Undertakings from cross-examination. Our latest recollection is that those outstanding Undertakings are set out in our letter of December 18, 2020, and we respond by Undertaking number.

### **Undertaking No. 2: Provide copies of any financial statements**

Previous Response: Request has been made to the bookkeeper

Updated Response: We now respond with the attached documents

### **Undertaking No 3: Provide copies of general ledger**

Previous Response: Request has been made to the bookkeeper

Previous Response: (from December 11, 2020) Notwithstanding Mr. Gaidhar consented to the delivery of these and this Undertaking was not taken under advisement, we are presently reviewing whether these responses are relevant or producible

Updated Response: We will not provide ledger as the Receiver has already received all bank statements.

### **Undertaking No. 6: Provide copies of the inter-company cheques where monies were loaned to Ceana Sunridge by related companies**

Previous Response: Request has been made to the bookkeeper

Previous Response: The bookkeeper is located in Vancouver accounting office. Answer to our request has not yet been received



Updated Response: There is a schedule attached below. Otherwise, these are internal company matters and Mr. Gaidhar will not provide related company accounts as these are not in question.

**Undertaking No. 9: Provide copies of any agreements entered into with Parmjeet Gill**

Previous Response: We understand that Mr. Parmjeet Gill is a real estate agent who received fees. A copy of the agreement has been requested

Previous Response: We continue to await the response which will be provided upon receipt

Updated Response: The agreement was entered into with the realtor from Century 21 in Calgary, Mr. Gurjant Gill, not Parmjeet Gill as previously referenced. We do not have a copy of the agreement.

Our client has indicated that there was major flooding in the old office at 101, 3115 – 12<sup>th</sup> Street NE, Calgary, in either late 2016 or 2017. Dream Management were managing the building at the time. All documents on the floor from 2012-2015 were waterlogged and beyond recognition. Mr. Gaidhar has ordered statements from the bank. There is a charge and it will take time. Mr. Gaidhar will provide them as soon as they are received by mail.

**Dentons Letter – March 2, 2021**

Your letter incorporates a number of questions. With respect to Madam Justice Eidsvik's suggestion of a meeting to occur between Mr. Gaidhar and Hillsboro, to discuss Hillsboro's accounting, we do not believe that such a meeting would be profitable. Aside from the obvious animosity between the parties, the suggestion of a meeting between respective accountants may be more useful.

Your letter, at the 4<sup>th</sup> paragraph, suggests that Hillsboro has provided to the Receiver its full and complete disclosure of all loan documents and accounting records. We do not doubt that Hillsboro has provided such information. However, there continues to be a discrepancy between the position of Hillsboro and Ceana Sunridge.

Of course, Ceana Sunridge is now in receivership and not able to make authoritative decisions on its own part.

Our concern with the Receiver's review of Hillsboro's accounting is that the Receiver has added up all of the pluses and minuses and concluded that the numbers "are accurate". However, we now enclose our latest revised accounting. We attach a large spreadsheet in two pages. This has been presented as it was provided to our office. We are anticipating providing you with an electronic version to make it more legible.

Our concern has always been that the mortgages were significantly underfunded. Although Hillsboro advanced money, and in particular through BLG, a significant portion was not advanced to Sunridge and in consequence, was not available for the actual construction. In principle, although Hillsboro agreed to advance \$6,500,000, our figures suggest that the only amounts funded to construction were \$4,473,272. There is a significant underfunding of \$2,026,700. Essentially one-third of the mortgage amounts were never advanced except as prepayment of interest, monitoring fees, etc.

We have a significant dispute with excessive and incorrect fees of \$650,125.

Accompanying our two-page spreadsheet, we have also provided details. Our page "AS PER KEITH" shows our response to Hillsboro's accounting.

We attach two pages of details called "AS PER CEANA PG. 1" and "AS PER CEANA PG. 2".

We also attach a sheet "CEANA – RECONCILIATION" to add further input and clarification.

Document called "page 3" shows a summary of security taken by Hillsboro in the total amount of \$19,500,000.

Your March 2, 2021 letter raises the issue of the accountings that we provided previously. Those materials have never been presented as "a report". The numbers however are accurate and quite comprehensible to anyone with a minimal level of accounting experience. There certainly has been no attempt to deceive.

As to a call between our clients and our accountant, we are prepared to answer questions and provide clarification. However, because of references to our accountant "Mr. Gaidhar's daughter" in a rather dismissive fashion, ignoring that she is in fact a CPA, CA with considerable experience, Mr. Gaidhar is tasked with finding a new accountant.

Paragraph 7 of your March 2, 2021 letter asks that Mr. Gaidhar's concerns be particularized. Please consider the attached to be such particulars.

The conclusion that you reach in paragraph 8 confirms greater concern with the "what" rather than the "why".

### **Additional Schedules**

We attach additional schedules. The first is a document called "FROM CEANA AND RELATED COMPANIES" showing the apportionment of funds on the land purchase closing.

Next is a document "From Ceana Sunridge page 1" in two pages. This shows the disposition of funds from Ceana Sunridge to Fast Track and other recipients.

The next document entitled "From Ceana Dev Inc pg 1" represents payments from Ceana Development Inc., the holding company, to Fast Track and other creditors.

The next document entitled "CEANA DEV VISA – page 1", along with noted pages 2 and 3, show Ceana Development Inc.'s Visa #9820 payments to various creditors.

The last document of this group is entitled "FAST TRACK COMMERCIAL PAYMENTS FROM DUNKLEY LAW / Hillsboro". This represents a recognition of a portion of the payments extended through Dunkley Law Office, totaling \$2,094,330.31.

### **Additional Analysis – Ceana Development Sunridge Inc. (in receivership)**

There are two versions of this accounting, both of which we attach that have comments. The first is as at June 1, 2019 and the second is as at October 31, 2020.

On the version as at June 1, 2019, our client highlights the assessment of the amounts outstanding on the various loans at that date. Issues such as "monitoring" disclose significant fees which are not consistent with even the forbearance agreement. It appears that once monitoring was commenced, notwithstanding that no construction occurred for at least 24 months, those regular fees continued to be assessed in amounts varying from \$2,100 per month to \$13,650 per month.

There is evidence of double counting of interest. First by segregating the interest reserve and then separately charging interest on the same.

The document analysis as at October 31, 2020 simply confirms what became an absurdity, based on the strict wording of the forbearance agreement but without any context in reality.

At various times, recognizing the impossibility of recovering, Ceana Sunridge had offered to sell the project to Hillsboro and then finally to quit claim the project to Hillsboro. We believe it was in the face of the offer to quit claim that Hillsboro brought its Application for Receivership, again a fruitless and expensive exercise.



**Involvement of BLG**

The documents that we received through Mr. Halt's office to convince us that BLG was not at fault, disclosed what we believe was the first time we have seen such accounting. Although it is clear that BLG was only following instructions, it was also clear that Hillsboro was manipulating the situation to its own benefit. Although BLG had the \$2,440,000 in its trust account, be it in a different sub-account, and it is clear the money was earmarked specifically for the purposes of construction, that was not the case. It is not BLG's fault. However, it is clear that no such monies were advanced in any realistic fashion to allow construction to proceed.

We are not then surprised when our general contractor, Fast Track, filed a Builder's Lien in December for almost the exact amount that was promised in BLG's representations. We are beyond blaming BLG, but clearly they were acting on instructions from Hillsboro, who to our observation, really had no intention of adequately funding any of the mortgages to allow construction to proceed.

We attach a copy of BLG's reporting letter of September 24, 2018 tendered in response to our queries of September 12, 2018. You will note various comments by our client onto the attached.

We are happy to entertain any questions that you might have.

Yours very truly,  
**GLENN & CARD LAW LLP**

  
**THOMAS F. GLENN**  
Barrister and Solicitor  
Email: tfglenn@gclawyers.ca

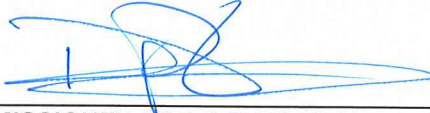
/tf/cc. Ceana/Gaidhar  
Enclosures

THIS IS EXHIBIT "6-B"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



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A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor®

DATES AND DESCRIPTION	AMOUNT BLG TRUST	PAID OUT /BALANCE	PAID BY	BALANCE	KH FUND RECEIVED	COMMENTS	INTEREST HOLDBACK	blg	FEEs	DOC REGISTERED	MTG DATE	AMOUNT	REG #
TOTAL:	\$ 5,232,500.00					Interest reserve Outstanding	\$ 1,177,000.00						
					-\$ 2,758,501.49	FEEs -HILLSBORO (HB)		\$ 63,061.83	\$ 138,625.00			\$ 16,500,000.00	
LOAN PROCEEDS - 3M:													
Jan 12 2017	\$ 2,432,500.00												
Mtg Payout		-\$ 650,000.00	BLG	-\$ 650,000.00		650K mtg payout for Liberty Mtg							
Hold back interest reserve		-\$ 550,000.00	BLG	-\$ 1,200,000.00		550K interest reserve hold back	\$ 550,000.00						
Balance		-\$ 1,232,500.00	BLG			\$ 1,232,500.00							
Jan 12 2017		-\$ 1,231,350.00	BLG	-\$ 2,431,350.00	-\$ 1,231,350.00	Paid to KH							
Jan 12 2017		-\$ 8,450.00	BLG	-\$ 2,439,800.00		BLG Fees		\$ 8,450.00					
Jan 12 2017		-\$ 60,000.00	BLG	-\$ 2,499,800.00		FEEs HB		\$ 60,000.00					
Jan 12 2017		-\$ 200.00	BLG	-\$ 2,500,000.00		Disbursements		\$ 200.00					
Balance		-\$ 67,500.00	BLG			Balance							
March 2 2017		-\$ 10,768.74	BLG	-\$ 2,510,768.74		BLG Legal		\$ 10,768.74					
March 2 2017		-\$ 200.00	BLG	-\$ 2,510,968.74		Final Disbursements		\$ 200.00					
March 2 2017		-\$ 489,031.26	BLG	-\$ 3,000,000.00	-\$ 489,031.26	Paid to KH							

Balance of UNDERFUNDING	-\$ 567,500.00	UNDERFUNDED
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TOTAL LOAN	\$ 3,000,000.00	
ADDITIONAL NOT ACCOUNTED FOR	-\$ 17,500.00	NOT IN TRUST ACCOUNT BLG
UNDERFUNDED - INTEREST HB NOT IN TRUST	-\$ 550,000.00	NOT IN TRUST ACCOUNT BLG
TOTAL FUNDED	\$ 2,432,500.00	Total funding \$ 2,432,500.00

LOAN PROCEEDS - 2M:	\$ 1,300,000.00	ONLY 1.3 M WAS PUT INTO THE TRUST ACCOUNT THEREFORE 700,000 SHORT											
Aug 2 2017													
Aug 3 2017 - Payouts		-\$ 150,000.00	BLG	-\$ 150,000.00		150K Alpha Steel							
Aug 3 2017 - Payouts		-\$ 100,000.00	BLG	-\$ 250,000.00		100K Kason							
Aug 3 2017 - Payouts		-\$ 300,000.00	BLG	-\$ 550,000.00		FT Commercial 300K							
Aug 3 2017 - Payouts		-\$ 93,584.14	BLG	-\$ 643,584.14		93K Primary Engineering							
August 18 2017		-\$ 8,415.83	BLG	-\$ 651,999.97	-\$ 8,415.83	KH Dunkley - Insurance and fees							
Aug 3 2017 - Payouts total		-\$ 651,999.97	BLG	-\$ 651,999.97									
Balance of funding		\$ 648,000.03											
August 18 2017		-\$ 640,000.00	BLG	-\$ 1,291,999.97		HB Interest reserve (310k alpha)	\$ 330,000.00						
Sept 1 2017		-\$ 94,500.00	BLG	-\$ 94,500.00		HB interest reserve	\$ 94,500.00						
Sept 19 2017		-\$ 8,000.00	BLG	-\$ 1,299,999.97		BLG Legal		\$ 8,000.00					
Balance of funding		-\$ 94,499.97				Balance of funding							
OCT 6 2017		-\$ 100,000.00	BLG	-\$ 1,399,999.97	-\$ 100,000.00	Paid to KH							
Oct 10 2017		-\$ 167,000.00	BLG	-\$ 1,566,999.97	-\$ 167,000.00	Paid to KH							
Oct 17 2017		-\$ 338,500.00	BLG	-\$ 1,905,499.97	-\$ 338,500.00	Paid to KH							

Balance of UNDERFUNDING	-\$ 699,999.97	UNDERFUNDED
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TOTAL LOAN	\$ 2,000,000.00	
NOT FUNDED - NOT DEPOSITED IN TRUST	-\$ 699,999.97	NOT IN TRUST ACCOUNT BLG
TOTAL FUNDED	\$ 1,300,000.03	Total funding \$ 1,300,000.03

\$700K FUNDED FROM THE 2.4 M DEPOSIT HOWEVER 2M SHOULD HAVE BEEN DEPOSITED INTO TRUST ACCOUNT IN FIRST PLACE AND THEN 2M WORTH OF DISBURSEMENTS TO OFFSET. STILL MONEY IN THERE THAT SHOULD NOT HAVE BEEN FUNDED AS FOLLOWS													
DEPOSIT	\$ 2,441,521.16												
DEPOSIT	\$ 260,000.00												
TOTAL	\$ 2,701,521.16												
FROM ABOVE	-\$ 699,999.97												
REMAINING	\$ 2,001,521.19												
GIVEN BACK	-\$ 501,524.00	TO NEOTRIC											
TOTAL	\$ 1,499,997.19	SHOULD NOT BE THERE AS MORTGAGE DOC SIGNED IN NOV 2017											

LOAN PROCEEDS - 1.5M:	\$ 1,500,000.00	IN TRUST ACCOUNT BUT ADVANCED BEFORE DOC SIGNED AND BY MISREPRESENTATION TO FASTTRACK											
Nov 7 2017													
Nov 7 2017 - Payout		-\$ 202,500.00	BLG	-\$ 202,500.00		Interest reserve	\$ 202,500.00						
Nov 7 2017 - Payout		-\$ 27,500.00	BLG	-\$ 230,000.00		Liberty and hillsboro fees		\$ 27,500.00					
Nov 7 2017 - Payout		-\$ 51,125.00	BLG	-\$ 281,125.00		Neotric Lender fees		\$ 51,125.00					
Total		-\$ 281,125.00				Total							
Balance		\$ 1,218,875.00											
Nov 7 2017 - Payout		-\$ 424,204.40	BLG	-\$ 705,329.40	-\$ 424,204.40	Paid to KH							
Jan 5 2018		-\$ 10,000.00	BLG	-\$ 715,329.40		BLG Legal		\$ 10,000.00					
April 23 2018		-\$ 4,156.96	BLG	-\$ 719,486.36		BLG Legal		\$ 4,156.96					
May 31 2018		-\$ 18,076.57	BLG	-\$ 737,562.93		BLG Legal		\$ 18,076.57					
Sept 7 2018		-\$ 3,209.56	BLG	-\$ 740,772.49		BLG Legal		\$ 3,209.56					

Balance of UNDERFUNDING	\$ 759,227.51	UNDERFUNDED
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TOTAL LOAN	\$ 1,500,000.00	
NOT FUNDED	-\$ 759,227.51	IN TRUST ACCOUNT NOT GIVEN
TOTAL FUNDED	\$ 740,772.49	Total funding \$ 740,772.49

UNDERFUNDED	-\$ 2,026,727.48
LOAN	\$ 5,232,500.00
FUNDED	\$ 3,205,772.52

LOAN PRINCIPLE	\$ 6,500,000.00
FUNDED	\$ 4,473,272.52
UNDERFUNDED	\$ 2,026,727.48
EXCESSIVE/INCORRECT FEES	\$ 650,125.00

KH DISB	-\$ 2,758,501.49
TOTAL LOAN	\$ 6,500,000.00
PERCENT	-42%

EVIDENCE OF MARSHELLING AS ONLY 40% WENT TO KH DUNKLEY AND EVEN THAT WAS DIRECTED FOR SPENDING FOR THEM AND NOT GIVEN AUTHORITY TO PAY AS NEEDED

AUG 08 2017	July 5 2017 TO		
2M mortgage registered under Sunridge	July 5 2018	\$ 2,000,000.00	171183985

Nov 22 2017	October 10 2017		
1.5M mortgage registered under Sunridge	to October 9 2018	\$ 1,500,000.00	171262890
-Should have been discharged as new security from Westwinds provided			

Nov 22 2017			
1.5M mortgage registered under Conrich		\$ 1,500,000.00	171262892

Nov 22 2017			
3M mortgage registered under Conrich		\$ 3,000,000.00	171262893

June 6 2018			
8.5M mortgage registered under Conrich		\$ 8,500,000.00	171262893

Pagor.

	Rate	Interest/yr	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Interest accrued	
REVISED PER BOB NEW ACCOUNTING																									
	Principle	Rate	Interest/yr	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Interest accrued
Jan 12 2017	\$3,000,000.00	0.18	\$540,000.00	\$ 23,424.66	\$ 34,520.55	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 912,945.21	
Aug 2 2017	\$2,000,000.00	0.18	\$360,000.00	0	0	0	0	0	0	\$0.00	\$29,589.04	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$ 419,589.04	
Nov 7 2017	#REF!	0.18	#REF!	0	0	0	0	0	0	0	0	0	\$0.00	\$8,000.17	\$10,782.84	\$10,935.72	\$9,877.43	\$10,935.72	\$10,644.46	\$11,275.62	\$10,911.89	\$11,275.62	\$11,275.62	\$10,959.37	\$ 116,874.46
	Total interest			\$ 23,424.66	\$ 34,520.55	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 74,589.04	\$ 75,000.00	\$ 75,000.00	\$ 83,000.17	\$ 86,275.62	\$ 85,935.72	\$ 84,877.43	\$ 85,935.72	\$ 85,644.46	\$ 86,275.62	\$ 85,911.89	\$ 86,275.62	\$ 86,275.62	\$ 85,959.37	\$ 1,449,408.71	
				\$ 550,000.00										202500											
	Balance			\$ 526,575.34	\$ 492,054.79	\$ 447,054.79	\$ 402,054.79	\$ 357,054.79	\$ 312,054.79	\$ 267,054.79	\$ 192,465.75	\$ 117,465.75	\$ 42,465.75	\$ 161,965.58	\$ 76,182.73	\$ 9,752.99	\$ 94,630.41	\$ 180,566.13	\$ 266,210.59	\$ 352,486.21	\$ 438,398.10	\$ 524,673.72	\$ 610,949.34	\$ 696,908.71	

3M Loan Calc	17-Jan	17-Feb
Loan	\$ 2,500,000.00	\$ 2,500,000.00
RATE	0.18	0.18
Interest per day	\$ 1,232.88	\$ 1,232.88
DAYS	19	28
Interest	\$ 23,424.66	\$ 34,520.55

2M Interest Calc	17-Jul	AUG-SEPT
Loan	0	\$ 2,000,000.00
RATE		0.18
Interest per day		\$ 986.30
DAYS		30
Interest	0	\$ 29,589.04

INTEREST RECONCILIATION	
Interest payable	\$ 1,449,408.71
Interest reserve 1	-\$550,000.00
Interest reserve 2	-\$202,500.00
Balance owing	\$696,908.71

TOTAL INTEREST BASED ON FUNDING ONLY AND NOT INTEREST RESERVES \$ 1,449,408.71

Reasonability	3M	900000
	2M	420000
	1.5M	#REF!
Total expected		#REF!
Total calculated	\$	1,449,408.71
DIFF		#REF!
	REASONABLE	

1.5M Loan Calc	NOV	DEC	Jan	FEB	Mar	APRIL	MAY	Jun	JUL	AUG	SEPT
Loan	#####	\$ 705,329.40	\$ 715,329.40	\$ 715,329.40	\$ 715,329.40	\$ 719,486.36	\$ 737,562.93	\$ 737,562.93	\$ 737,562.93	\$ 737,562.93	\$ 740,772.49
RATE	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Interest per day	\$ 347.83	\$ 347.83	\$ 352.77	\$ 352.77	\$ 352.77	\$ 354.82	\$ 363.73	\$ 363.73	\$ 363.73	\$ 363.73	\$ 365.31
DAYS	23	31	31	28	31	30	31	30	31	31	30
Interest	\$ 8,000.17	\$ 10,782.84	\$ 10,935.72	\$ 9,877.43	\$ 10,935.72	\$ 10,644.46	\$ 11,275.62	\$ 10,911.89	\$ 11,275.62	\$ 11,275.62	\$ 10,959.37



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PER HILLSBORO

DATE	MONITOR FEES	ADDITIONAL FEES	LOAN BALANCE	RATE	AMOUNT	ACCUM. AMOUNT	BALANCE
	\$ 336,000.00	\$ 303,000.00			\$ 1,685,157.52	\$ 2,256,667.52	\$ 1,049,500.00

	\$	270,900.00	\$	67,500.00	3M LOAN	Interest	\$	2999	\$	963,424.39	\$	550,000.00	
Jan-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	14,795.00	\$	0	\$	547,003.00
Feb-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	14,795.00	\$	522,756.00
Mar-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	59,795.00	\$	488,306.00
Apr-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	104,795.00	\$	393,406.00
May-17	\$	9,450.00	\$	67,500.00	\$	3,000,000.00	18%	\$	42,000.00	\$	144,795.00	\$	359,406.00
Jun-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	189,795.00	\$	294,406.00
Jul-17	\$	9,450.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	234,795.00	\$	229,406.00
Aug-17	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	279,795.00	\$	193,856.00
Sep-17	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	324,795.00	\$	133,906.00
Oct-17	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	374,795.00	\$	115,906.00
Nov-17	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	419,795.00	\$	15,906.00
Dec-17	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	464,795.00	\$	42,744.00
Jan-18	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	509,795.00	\$	101,394.00
Feb-18	\$	13,650.00	\$	-	\$	3,000,000.00	18%	\$	45,000.00	\$	554,795.00	\$	160,044.00
Mar-18	\$	13,650.00	\$	-	\$	3,150,044.66	18%	\$	47,402.66	\$	602,195.66	\$	221,094.66
Apr-18	\$	13,650.00	\$	-	\$	3,212,094.66	18%	\$	48,316.42	\$	650,512.68	\$	283,061.08
May-18	\$	13,650.00	\$	-	\$	3,283,061.08	18%	\$	49,249.92	\$	699,758.00	\$	345,957.00
Jun-18	\$	13,650.00	\$	-	\$	3,345,957.00	18%	\$	50,189.35	\$	749,947.35	\$	409,796.35
Jul-18	\$	13,650.00	\$	-	\$	3,409,796.35	18%	\$	51,146.90	\$	801,094.30	\$	474,593.30
Aug-18	\$	13,650.00	\$	-	\$	3,474,593.30	18%	\$	52,118.90	\$	853,213.20	\$	540,362.20
Sep-18	\$	13,650.00	\$	-	\$	3,540,362.20	18%	\$	53,045.43	\$	906,318.63	\$	607,117.63
Oct-18	\$	13,650.00	\$	-	\$	3,607,117.63	18%	\$	54,106.76	\$	960,25.39	\$	674,874.39

Jul-17	\$ 33,600.00	\$ 84,000.00	2M LOAN	\$ 501,886.20	\$ 55,100.00	\$ 237,900.00
Aug-17	2,100.00	53,000.00		19,500.00	76,700.00	220,300.00
Sep-17	2,100.00			18%	19,500.00	200,800.00
Oct-17	2,100.00		\$ 1,300,000.00	18%	19,500.00	193,520.00
Nov-17	2,100.00		\$ 700,000.00	18%	\$ 5,178.00	135,578.00
Dec-17	2,100.00		\$ 2,000,000.00	18%	30,000.00	163,420.00
Jan-18	2,100.00		\$ 2,000,000.00	18%	30,000.00	137,500.00
Feb-18	2,100.00		\$ 2,000,000.00	18%	30,000.00	198,778.00
Mar-18	2,100.00		\$ 2,000,000.00	18%	30,000.00	321,878.00
Apr-18	2,100.00		\$ 2,000,000.00	18%	30,000.00	65,122.00
May-18	2,100.00		\$ 2,000,000.00	18%	30,000.00	92.00
Jun-18	2,100.00		\$ 2,063,276.00	18%	30,000.00	31,176.00
Jul-18	2,100.00	\$ 31,000.00	\$ 2,096,327.17	18%	30,945.17	63,276.00
Aug-18	2,100.00		\$ 2,131,872.00	18%	\$ 31,444.91	96,327.17
Sep-18	2,100.00		\$ 2,226,850.08	18%	32,878.08	191,827.00
Oct-18	2,100.00		\$ 2,262,352.83	18%	33,402.75	226,850.08
Nov-18	2,100.00			18%	33,935.29	242,352.91
Dec-18	2,100.00			18%		564,388.20
Ending balance wron						\$ 298,288.12
DUED TO MISCALCULATION						

DID NOT AGREE TO ANY OF THESE MONITORING FEES ABOVE OR ADDITIONAL FEES  
 DID NOT AGREE TO MONITORING FEE AND PRINCIPLE NOT 3M AS NOT ALL FUNDED  
 PRINCIPLES SHOULD NOT HAVE CHANGED AS THIS WAS NEVER CHARGED UPON  
 AND NOTIFICATION BEP OUR CALCULATION AS THE PRINCIPLES WERE NOT INTEREST

\$	31,500.00	\$	24,000.00	1.5 LOAN	\$	272,854.93	\$	202,500.00
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Month	2625	2625	\$	1,500,000.00	18%	22,500	25,725	\$	177,375.00
Nov-17	2625		\$	1,500,000.00	18%	22,500		\$	152,350.00
Dec-17	2625		\$	1,500,000.00	18%	22,500		\$	127,125.00
Jan-18	2625		\$	1,500,000.00	18%	22,500		\$	102,000.00
Feb-18	2625		\$	1,500,000.00	18%	22,500		\$	76,875.00
Mar-18	2625		\$	1,500,000.00	18%	22,500		\$	47,350.80
Apr-18	2625		\$	1,504,470.00	18%	22,582.21		\$	22,949.59
May-18	2625		\$	1,504,470.00	18%	22,582.21		\$	2,342.62
Jun-18	2625		\$	1,504,470.00	18%	22,582.21		\$	226,373.82
Jul-18	2625		\$	1,552,177.82	18%	22,582.67		\$	251,981.48
Aug-18	2625		\$	1,557,785.49	18%	23,566.78		\$	277,973.27
Sep-18	2625		\$	1,557,785.49	18%	23,566.78		\$	92,840.27
Oct-18	2625		\$	1,561,138.93	18%	23,756.66		\$	126,151.93
Nov-18	2625		\$	1,561,138.93	18%	23,756.66		\$	168,228.93
TOTAL									
Total									
Apr-18	\$	4,157.00	BLG	Total					
Aug-18	\$	3,210.00	BLG	Total					
Sep-18	\$	10,000.00	BLG	Total					
Oct-18	\$	6,930.00	ALTUS	Total					
Oct-18	\$	18,077.00	BLG	Total					

[illegible][illegible]

Amount should have been from trust	
\$	330,000.00
\$	94,500.00
\$	424,500.00
Deposited into trust	
\$	297,000.00
\$	127,500.00

PER CEANA SUNRIDGE

AS PER CEANA Pg. 1.

PER AGREEMENT REVIEW - ALL MONITORING FEES REMOVED - THESE WERE NOT AGREED UPON

DATE	MONITOR FEES	ADDITIONAL FEES	LOAN BALANCE	RATE	AMOUNT	ACCUM AMOUNT	BALANCE	CHECK
	\$ -	\$ -	-		\$	1,177,153.48	\$ 1,177,000.00	\$ 153.48

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		\$	-	\$	67,500.00	3M LOAN	Interest old		18%	\$	0	\$	744,652.50	\$	550,000.00	Interest of \$2999 removed Per BLG reports and funding Per BLG reports and funding Per BLG reports and funding
Jan-17		\$	-	\$	-	\$	1,950,000.00	18%	\$	-	\$	-	\$	550,000.00	\$	550,000.00
Feb-17		\$	-	\$	-	\$	1,950,000.00	18%	\$	9,652.50	\$	9,652.50	\$	540,347.50	\$	9,652.50
Mar-17							2,450,000.00	18%	\$	36,750.00	\$	46,402.50	\$	503,597.50	\$	36,750.00
Apr-17							2,450,000.00	18%	\$	36,750.00	\$	83,152.50	\$	466,847.50	\$	36,750.00
May-17				\$	67,500.00		2,450,000.00	18%	\$	36,750.00	\$	119,902.50	\$	430,097.50	\$	36,750.00
Jun-17							2,450,000.00	18%	\$	36,750.00	\$	156,652.50	\$	393,347.50	\$	36,750.00
Jul-17							2,450,000.00	18%	\$	36,750.00	\$	193,402.50	\$	356,597.50	\$	36,750.00
Aug-17							2,450,000.00	18%	\$	36,750.00	\$	230,152.50	\$	319,847.50	\$	36,750.00
Sep-17							2,450,000.00	18%	\$	36,750.00	\$	266,902.50	\$	283,097.50	\$	36,750.00
Oct-17							2,450,000.00	18%	\$	36,750.00	\$	303,652.50	\$	246,347.50	\$	36,750.00
Nov-17							2,450,000.00	18%	\$	36,750.00	\$	340,402.50	\$	209,597.50	\$	36,750.00
Dec-17							2,450,000.00	18%	\$	36,750.00	\$	377,152.50	\$	172,847.50	\$	36,750.00
Jan-18							2,450,000.00	18%	\$	36,750.00	\$	413,902.50	\$	136,097.50	\$	36,750.00
Feb-18							2,450,000.00	18%	\$	36,750.00	\$	450,652.50	\$	99,347.50	\$	36,750.00
Mar-18							2,450,000.00	18%	\$	36,750.00	\$	487,402.50	\$	62,597.50	\$	36,750.00
Apr-18							2,450,000.00	18%	\$	36,750.00	\$	524,152.50	\$	25,847.50	\$	36,750.00
May-18							2,450,000.00	18%	\$	36,750.00	\$	560,902.50	\$	10,902.50	\$	36,750.00
Jun-18							2,450,000.00	18%	\$	36,750.00	\$	597,652.50	\$	47,652.50	\$	36,750.00
Jul-18							2,450,000.00	18%	\$	36,750.00	\$	634,402.50	\$	84,402.50	\$	36,750.00
Aug-18							2,450,000.00	18%	\$	36,750.00	\$	671,152.50	\$	121,152.50	\$	36,750.00
Sep-18							2,450,000.00	18%	\$	36,750.00	\$	707,902.50	\$	157,902.50	\$	36,750.00
Oct-18							2,450,000.00	18%	\$	36,750.00	\$	744,652.50	\$	194,652.50	\$	36,750.00
NOT IN AGREEMENT WITH PRINCIPLE BEING INCREASE AS THERE WAS NO DISCUSSION FROM HB INDICATING THAT THERE WAS A SHORTFALL AND HOW THIS WOULD BE FUNDED																
HB PURPOSELY CHARGED UNREASONABLE AND UNAUTHORIZED MONITORING FEES TO FORCE THE SHORTFALL AND THEREFORE INCREASE THE PRINCIPLE.																
PER BLG REPORT																
Jul-17		\$	-	\$	-	2M LOAN	338,665.50	\$	338,665.50	\$	-	\$	-	\$	424,500.00	
01-Aug		\$	-					18%	\$	13,132.50	\$	13,132.50	\$	411,367.50	\$	13,132.50
Sep-17								18%	\$	13,132.50	\$	26,265.00	\$	398,235.00	\$	13,132.50
Sep-17								18%	\$	5,178.00	\$	31,443.00	\$	393,057.00	\$	5,178.00
Oct-17								18%	\$	23,632.50	\$	55,075.50	\$	369,424.50	\$	23,632.50
Nov-17								18%	\$	23,632.50	\$	78,708.00	\$	345,792.00	\$	23,632.50
Dec-17								18%	\$	23,632.50	\$	102,340.50	\$	322,159.50	\$	23,632.50
Jan-18								18%	\$	23,632.50	\$	125,973.00	\$	298,527.00	\$	23,632.50
Feb-18								18%	\$	23,632.50	\$	149,605.50	\$	274,894.50	\$	23,632.50
Mar-18								18%	\$	23,632.50	\$	173,238.00	\$	251,262.00	\$	23,632.50
Apr-18								18%	\$	23,632.50	\$	196,870.50	\$	227,629.50	\$	23,632.50
May-18								18%	\$	23,632.50	\$	220,503.00	\$	203,997.00	\$	23,632.50
Jun-18								18%	\$	23,632.50	\$	244,135.50	\$	180,364.50	\$	23,632.50
Jul-18								18%	\$	23,632.50	\$	267,768.00	\$	156,732.00	\$	23,632.50
Aug-18		\$	-					18%	\$	23,632.50	\$	291,400.50	\$	133,099.50	\$	23,632.50
Sep-18								18%	\$	23,632.50	\$	313,033.00	\$	109,467.00	\$	23,632.50
Oct-18								18%	\$	23,632.50	\$	338,665.50	\$	85,834.50	\$	23,632.50
NOT IN AGREEMENT WITH PRINCIPLE BEING INCREASE AS THERE WAS NO DISCUSSION FROM HB INDICATING THAT THERE WAS A SHORTFALL AND HOW THIS WOULD BE FUNDED																
HB PURPOSELY CHARGED UNREASONABLE AND UNAUTHORIZED MONITORING FEES TO FORCE THE SHORTFALL AND THEREFORE INCREASE THE PRINCIPLE.																



NOT IN AGREEMENT WITH PRINCIPLE BEING INCREASE AS THERE WAS NO DISCUSSION FROM HB INDICATING THAT THERE WAS A SHORTFALL AND HOW THIS WOULD BE FUNDED

HB PURPOSELY CHARGED UNREASONABLE AND UNAUTHORIZED MONITORING FEES TO FORCE THE SHORTFALL AND THEREFORE INCREASE THE PRINCIPLE.



# CEANA RECONCILIATION

## RECONCILIATION OF OVERALL INTEREST OWING VERSUS INTEREST PAID BY DATE

DESCRIPTION	MONEY OUT	MONEY IN	ROLLING BALANCE	DIFFERENCE AND COMMENTS	
TOTALS AND DIFFERENCE	\$ 1,177,153.48	\$ 1,177,000.00		\$	153.48
OPENING BALANCE OF INTEREST RESERVE		\$ 550,000.00	\$ 550,000.00	JAN 12 2017 3M LOAN (SEE BLG PAGE3)	
INTEREST LOAN 3M TOTAL PER OUR CALC (FEB TO JULY)	\$ 193,402.50		\$ 356,597.50		
FEES PER OUR CALC 3M	\$		\$ 356,597.50	Taken from BLG trust (see accounting)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 330,000.00	\$ 686,597.50	640K less alpha Steel - AUG 18 2017 (SEE BLG PAGE 16)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 94,500.00	\$ 781,097.50	Sept 1 2017 (SEE BLG PAGE 17)	
INTEREST LOAN 3M TOTAL PER OUR CALC (AUG TO OCT)	\$ 110,250.00		\$ 670,847.50		
INTEREST LOAN 2M TOTAL PER OUR CALC (AUG TO OCT)	\$ 55,075.50		\$ 615,772.00		
FEES PER OUR CALC 2M	0		\$ 615,772.00		
ADDITIONAL 1.5M LOAN INTEREST RESERVE HOLDBACK		\$ 202,500.00	\$ 818,272.00	NOV 3 2017 (SEE PG 26 BLG TRUST)	
INTEREST LOAN 3M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 441,000.00		\$ 377,272.00		
INTEREST LOAN 2M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 283,590.00		\$ 93,682.00		
INTEREST LOAN 1.5M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 93,835.48		\$ 153.48		
			\$ -		
			\$ -		

### COMMENTS:

THERE WAS NEVER A POINT WHERE CEANA WAS IN DEFAULT OR NEEDED ADDITIONAL FUNDING.

page 3.

Registration Number	Date	Amount	Location	
171023797	26/01/2017	\$3,000,000.00	Sundridge	y
171183985	18/08/2017	\$2,000,000.00	Sundridge	y
171262890	22/11/2017	\$1,500,000.00	Sundridge	y
181132049	22/06/2018	\$8,500,000.00	Westwinds	y
171262892	22/11/2017	\$1,500,000.00	Conrich	y
171262893	22/11/2017	\$3,000,000.00	Conrich	y
Total Mortgages		\$19,500,000.00		

Bldg  
MY HOUSE

# FROM CEANA AND RELATED COMPANIES

		LAND-CLOSING		
		Interest to CWB		65,290.10
		Legal Fees - dentons		18,893.92
		Bty Group		5,145.00
		Interest to Land-owner		48,000.00
		Land deposit first		50,000.00
		Land deposit second		250,000.00
		Received from Ceana Dev. Inc	per statement of adjustment	1,150,000.00
		Received from Ceana Dev. Inc	per statement of adjustment	552,000.00
		Received from Borden Ladner		567,670.43
		Street Light - Cash security	City of Calgary	9,500.00
				2,716,499.45

## CLOSING OF LAND.



From Ceana Sunridge page 1. Still under Reconciliation.

DATE	BANK	FROM	TO	Amount	CIBC
2017-03-23	ATB	Ceana Sunridge	Fast Track Commercial	\$200,000.00	Bank Draft
2017-03-30	ATB	Ceana Sunridge	Fast Track Commercial	\$100,000.00	Bank Draft
2017-06-19	ATB	Ceana Sunridge	Fast Track Commercial	\$12,000.00	Bank Draft
2017-07-04	ATB	Ceana Sunridge	Fast Track Commercial	\$20,000.00	Bank Draft
2017-06-19	ATB	Ceana Sunridge	Fast Track Commercial	\$18,938.54	Bank Draft
2017-06-27	ATB	Ceana Sunridge	Fast Track Commercial - ???	\$30,000.00	Bank Draft
2017-07-04	ATB	Ceana Sunridge	Fast Track Commercial - ???	\$20,000.00	Bank Draft
2017-08-03	ATB	Ceana Sunridge	Fast Track Commercial	\$100,000.00	Bank Draft
2017-11-09	ATB	Ceana Sunridge	Embe Consulting Engineers	\$11,885.94	Chq #0302
2018-01-05	ATB	Ceana Sunridge	Kerry Cantle	\$3,000.00	Chq #0308
2018-01-29	ATB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0315
2018-01-31	ATB	Ceana Sunridge	Tarah McLean	\$2,080.00	Chq #0316
2016-09-01	CWB	Ceana Sunridge	McIntosh Engineering	\$7,875.00	Chq #0103
2016-09-08	CWB	Ceana Sunridge	McIntosh Engineering	\$7,875.00	Chq #0105
2016-09-09	CWB	Ceana Sunridge	Paul Haul	\$1,002.75	Chq #0109
2016-09-14	CWB	Ceana Sunridge	City of Calgary	\$580.00	Chq #0108
2016-09-14	CWB	Ceana Sunridge	City of Calgary	\$953.00	Chq #0107
2016-09-27	CWB	Ceana Sunridge	City of Calgary - Roads	\$9,500.00	Bank Draft #76049
2016-09-27	CWB	Ceana Sunridge	City of Calgary - Roads trafik light	\$300,000.00	Bank Draft #76049
2016-09-29	CWB	Ceana Sunridge	Acumen	\$4,412.78	Chq #0113
2016-10-04	CWB	Ceana Sunridge	Paramjeet Gill	\$15,000.00	Chq #0114
2016-10-19	CWB	Ceana Sunridge	Yorkfield	\$17,500.00	Chq #0118
			Yorkfield	\$17,500.00	
2016-10-19	CWB	Ceana Sunridge	Seika Architecture	\$18,500.00	Chq #0119
2016-10-26	CWB	Ceana Sunridge	MWC Consulting	\$7,350.00	Chq #0122
2016-11-01	CWB	Ceana Sunridge	MWC Consulting	\$9,408.00	Chq #0128
2016-11-01	CWB	Ceana Sunridge	Seika Architecture	\$10,000.00	Chq #0123
2016-11-04	CWB	Ceana Sunridge	Jubilee Engineering	\$10,613.23	Chq #0125
			Jubilee Engineering	\$2,940.00	
2016-11-14	CWB	Ceana Sunridge	Hillsboro Enterprises	\$18,900.00	Chq #0129
2016-11-18	CWB	Ceana Sunridge	Embe Consulting Engineers	\$10,000.00	Chq #0124
2016-11-22	CWB	Ceana Sunridge	Sejal Purohit - Investment refund	\$35,000.00	Chq #0130
			Multicorp Environmental	\$3,864.00	
2017-01-10	CWB	Ceana Sunridge	Primary Engineering & Struct.	\$120,645.00	Chq #0136
2017-01-20	CWB	Ceana Sunridge	PS Technical Designs Inc	\$3,780.00	Chq #0135
2017-02-27	CWB	Ceana Sunridge	MWC Consulting	\$3,864.00	Chq #0139



From Ceana Neo Sunridge Page 2:

2017-03-06	CWB	Ceana Sunridge	Seika Architecture	\$15,500.00	Chq #0143
2017-03-22	CWB	Ceana Sunridge	818 Studio Ltd	\$2,159.75	Chq #0141
2017-04-13	CWB	Ceana Sunridge	Paramjeet Gill	\$10,500.00	Chq #0144
2017-04-18	CWB	Ceana Sunridge	Embe Consulting Engineers	\$10,500.00	Chq #0145
2017-06-14	CWB	Ceana Sunridge	Fast Track Commercial	\$14,596.00	Certified Chq #0147
2017-08-09	CWB	Ceana Sunridge	City of Calgary - Traffic Light	\$202,000.00	Bank Draft
			City of Calgary - Property Tax Adj	\$11,423.95	From account
			KH Dunkley	\$19,549.17	From account
2018-02-05	CWB	Ceana Sunridge	Rick Balbi Architect Ltd	\$22,534.50	Chq #0148
2018-02-21	CWB	Ceana Sunridge	Miller Thompson	\$10,000.00	Chq #0149
2018-02-26	CWB	Ceana Sunridge	Verjee & Associates	\$5,000.00	Chq #0151
2018-03-02	CWB	Ceana Sunridge	Kason Excavation	\$2,136.75	Chq #0153
2018-03-02	CWB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0154
2018-04-10	CWB	Ceana Sunridge	Rick Balbi Architect Ltd	\$9,655.58	Chq #0159
2018-04-24	CWB	Ceana Sunridge	Miller Thompson	\$10,000.00	Chq #0160
2018-05-03	CWB	Ceana Sunridge	ED Skapin	\$324.79	Chq #0161
2018-05-16	CWB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0162
2018-05-15	CWB	Ceana Sunridge	Kason Excavation	\$2,200.00	Chq #0166
2018-05-16	CWB	Ceana Sunridge	JC Lawn & Landscapes	\$3,454.50	Chq #0167
2018-06-19	CWB	Ceana Sunridge	Kerry Cantle	\$3,500.00	Chq #0169
2018-07-03	CWB	Ceana Sunridge	Canam Building & Structures	\$58,426.15	Bank Draft
2018-07-04	CWB	Ceana Sunridge	City of Calgary	\$817.00	Chq #0170
2018-07-19	CWB	Ceana Sunridge	Canam Building & Structures	\$31,924.79	Bank Draft
2018-08-17	CWB	Ceana Sunridge	Kerry Cantle	\$5,000.00	Chq #0179
2018-09-05	CWB	Ceana Sunridge	Miller Thompson	\$17,208.32	Chq #0185
2018-09-05	CWB	Ceana Sunridge	Kerry Cantle	\$5,000.00	Chq #0186
2019-01-17	CWB	Ceana Sunridge	Kerry Cantle	\$2,000.00	Chq #0203
				\$1,646,628.50	



From Ceana Dev Inc Pg 1-

FAST TRACK COMMERCIAL PAYMENTS from CEANA DEVELOPMENT INC					
DATE	BANK	FROM	TO	Amount	CIBC
2017-03-24	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$225,000.00	Draft
2017-01-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$200,000.00	Draft
2017-03-24	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$100,000.00	Chq #381
2017-03-31	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$237,410.00	Draft
2017-04-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$18,000.00	Draft
2017-04-28	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$75,000.00	Draft
2017-06-16	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$63,000.00	Draft
2017-03-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$23,000.00	Chq #00373
2017-04-04	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$35,000.00	Draft
2017-05-02	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$5,000.00	Draft
2017-05-08	CIBC	Ceana Dev. Inc	Kason Excavation	\$1,533.00	Chq #00390
2017-06-06	CIBC	Ceana Dev. Inc	Markmanship	\$2,246.57	Chq #00401
2017-06-14	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$11,990.00	Chq #00404
2017-10-02	CIBC	Ceana Dev. Inc	MMP Engineering	\$20,000.00	Chq #00462
2017-11-01	CIBC	Ceana Dev. Inc	MMP Structural	\$15,962.50	Chq #00463
2017-11-17	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$93,517.00	Draft
2017-12-21	CIBC	Ceana Dev. Inc	Dragon Excavation	\$5,218.50	Chq #00504
2018-02-20	CIBC	Ceana Dev. Inc	Rick Bryce	\$1,906.78	Chq #00526
2018-03-08	CIBC	Ceana Dev. Inc	Rick Bryce	\$1,489.60	Chq #00533
2018-03-21	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,416.67	Chq #00537
2018-03-29	CIBC	Ceana Dev. Inc	Kerry Cantle	\$2,000.00	Chq #00541
2018-04-06	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$35,000.00	Draft
2018-04-13	CIBC	Ceana Dev. Inc	Kerry Cantle	\$2,000.00	Chq #00546
2018-04-20	CIBC	Ceana Dev. Inc	Kason Excavation	\$2,136.75	Chq #00552
2018-04-23	CIBC	Ceana Dev. Inc	CMIC Law	\$2,220.00	Chq #00554
2018-04-26	CIBC	Ceana Dev. Inc	Kason Excavation	\$1,748.25	Chq #00553
2018-05-01	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,000.00	Chq #00557
2018-06-04	CIBC	Ceana Dev. Inc	Kerry Cantle	\$4,500.00	Chq #00566
2018-10-31	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,000.00	Chq #00592
2018-02-27	CIBC	Ceana Dev. Inc	ACTIVATE FIRE SAFETY INC.	\$2,322.00	Chq #001
2018-01-24	CIBC	Ceana Dev. Inc	NAIR BAILEY	\$400.00	Chq #00517
2018-02-02	CIBC	Ceana Dev. Inc	RICK BRYCE	\$1,906.78	Chq #00524
2018-02-16	CIBC	Ceana Dev. Inc	RICK BRYCE	\$1,906.78	Chq #00526
2018-02-12	CIBC	Ceana Dev. Inc	PLATINUM HERITAGE CONSTRUCTION CORP	\$5,250.00	Chq #00529
				\$1,212,081.18	



CREDIT CARD PAYMENTS BY CEANA DEV INC					
DATE	BANK	FROM	TO	Amount	ATB
2015-07-28	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-08-07	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$1,201.20	Visa - 9820
2015-08-07	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$2,423.10	Visa - 9820
2015-08-13	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-12-04	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$1,174.95	Visa - 9820
2016-02-03	CIBC	Ceana Dev Inc - Visa # 9820	Saskatchewan Mutual Insurance	\$1,295.00	Visa - 9820
2016-02-16	CIBC	Ceana Dev Inc - Visa # 9820	Vista Geomatics	\$2,100.00	Visa - 9820
			Vista Geomatics	\$2,782.00	
2016-02-24	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$4,095.00	Visa - 9820
2015-06-29	CIBC	ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$4,095.00	Visa - 9820
2016-03-15	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-11-17	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-09-11	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-12-15	CIBC	Ceana Dev Inc - Visa # 9820	Minuteman Press	\$1,284.68	Visa - 1006
2016-09-30	CIBC				
2016-10-06	CIBC	Ceana Dev Inc - Visa # 9820	City of Calgary - Inspection & Permit	\$66,693.04	Visa - 9820
			City of Calgary - DP	\$3,388.84	
2015-09-29	RBC	Ceana Dev Inc - Visa # 9820	Airways Printing	\$656.25	Visa - 1721
2017-09-20	CIBC	Ceana Dev Inc - Visa # 9820	FOSTER PARK BROKERS EDMONTON, AB	\$5,040.00	Visa - 9820
2018-01-22	CIBC	Ceana Dev Inc - Visa # 9820	MAHI PRINTING & SIGNAGE LTD	\$908.25	Visa - 9820
2018-02-12	CIBC	Ceana Dev Inc - Visa # 9820	MAHI PRINTING & SIGNAGE LTD	\$84.00	Visa - 9820
					STILL AUDITING VIA +
			TOTAL CREDIT CARDS	\$107,458.81	

FROM CEANA DEV. INC VISA '9820" pg 2

Tr Date	Posting Date	Paid from	Payee	Debit
Mar 29	Apr 01	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	286.33
Jan 11	Jan 14	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	119.54
Feb 01	Feb 08	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	5,000.00
Feb 26	Feb 28	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	182.54
Apr 02	Apr 04	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	15.75
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET CO QUITLAM BC	135.29
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	183.59
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	135.29
Nov 19	Nov 20	Ceana Sunridge - Visa # 9820	G 0 OGLE *Google Storage 855-836-3987 NS	2.59
Nov 20	Nov 22	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET CO QUITLAM BC	15.75
Dec 04	Dec 07	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	6,000.00
Dec 13	Dec 17	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	2,500.00
Dec 17	Dec 20	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	9,000.00

23,576.67



Learn Dev- P93-

JCB ENGINEERING	TIA	\$8,679.51	
818 STUDIO		\$4,252.50	
818 STUDIO		\$3,465.00	
818 STUDIO		\$393.75	
YORKFIELD		\$6,300.00	
HILLSBORO FEES			
HILLSBORO FEES			FROM ACCOUNT
CRIS SKOWRON	REAL ESTATE FEES SALE BLDG D	\$10,000.00	
BTY	QS	\$5,145.00	
		\$38,235.76	

From Dunkel LAW/Hillsboro

## FAST TRACK COMMERCIAL PAYMENTS

DATE	BANK	FROM	TO	Amount	ATB
13-Jan-17	LAWYER	KHALIL HAJI PROFESSIONAL CORP	Fast Track Commercial	500,000.00	
11-Jul-17	CIBC - HILLSBORO	Hillsboro Ventures Inc	Alpha Steel Builders Inc.	310,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Alpha Steel Builders Inc.	150,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Kasōn Excavating	100,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Fast Track Commercial	300,000.00	
18-Oct-17	LAWYER	KHALIL HAJI PROFESSIONAL CORP	Factors Western	310,125.91	
		Hillsboro Ventures Inc	Trust Chq from KH Dunkley	424,204.40	
			TOTAL	2,094,330.31	

Ceana Development Sunridge Inc. (in receivership)  
Analysis of Hillsboro Secured Claim Quantum as at June 5, 2019

DRAFT AND CONFIDENTIAL  
FOR DISCUSSION PURPOSES ONLY

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at June 5, 2019

Ceana Development Sunridge Inc. (in Receivership)  
CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
<b>BLG Trust Account Advances</b>						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
<b>Total Advances</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 6,500,000</b>		
<b>BLG Trust Account Disbursements</b>						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)		1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)		5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
<b>Total Disbursements</b>	<b>A \$ (3,000,000)</b>	<b>\$ (2,000,000)</b>	<b>\$ (1,500,000)</b>	<b>\$ (6,500,000)</b>		
<b>Accrued Interest and Fees</b>						
Estimated Compound Interest - Loan Advance Date to June 5, 2020	(1,428,854)	(729,783)	(626,685)	(2,785,322)		3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500		3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(141,225)	(84,000)	(292,725)		9
Monitoring Fees	(229,950)	(52,500)	(55,125)	(337,575)		5, 7, 9
<b>Total Accrued Interest and Fees</b>	<b>B \$ (1,176,304)</b>	<b>\$ (653,508)</b>	<b>\$ (563,310)</b>	<b>\$ (2,393,122)</b>		
Dentons Trust Funds deducted from Total Loan Accrual	-	-	664,626	664,626		12
<b>Estimated Amount Outstanding as at June 5, 2019</b>	<b>C (A+B-C) \$ (4,176,304)</b>	<b>\$ (2,653,508)</b>	<b>\$ (1,398,684)</b>	<b>\$ (8,228,496)</b>		

Notes

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.

Source Documents Referenced for Analysis

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel ("Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

Note:

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

useless - does not address the issue

yes.

Read our comments

**Exhibit 2: \$3.0M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest**

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld for Lender for interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
<b>Total Funds Advanced</b>	<b>\$ 3,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)	2,3,4	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,788.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group in Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	<b>\$ (3,000,000.00)</b>		
Compound Interest - Jan 12, 2017 Advance Date to June 5, 2019	(1,428,853.93)		A&M Estimate, \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page: Para.3/4/5).
Add back amount withheld by Lender for interest on amendment and new mortgage	550,000.00	5	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3).
Forbearance and Legal Fees	(67,500.00)		Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to June 5, 2019)	(229,950.00)		Forbearance Agreement - Article 3.3(m).
	<b>\$ (1,176,303.93)</b>		
<b>Total Estimated Amount Outstanding Under Loan #1 As of June 5, 2019</b>	<b>\$ (4,176,303.93)</b>		

**Notes**

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and legal fees of \$67,500, per Forbearance Agreement

Exhibit 3: \$3M Facility (Loan # 1) Interest Schedule

Interest Accrual Date (for previous month)		Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
February 1 2017 (For Jan 12 - Jan 31 Period)		18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ -	(550,000.00)
March 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	(520,967.74)
April 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	(475,967.74)
May 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	(430,967.74)
June 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	(385,967.74)
July 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	(340,967.74)
August 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	(295,967.74)
September 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	(250,967.74)
October 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	(205,967.74)
November 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	(160,967.74)
December 1 2017		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	(115,967.74)
January 1 2018		18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	(70,967.74)
February 1 2018		18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 524,032.26	(16,517.74)
March 1 2018		18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 569,032.26	\$ 37,932.26
April 1 2018		18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 614,601.24	\$ 92,951.24
May 1 2018		18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 660,995.51	\$ 148,795.51
June 1 2018		18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 708,227.44	\$ 205,477.44
July 1 2018		18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 756,309.60	\$ 263,009.60
August 1 2018		18%	\$ 49,821.07	\$ 50,000	\$ -	\$ 3,434,875.82	\$ 805,354.75	\$ 321,404.75
September 1 2018		18%	\$ 51,523.14	\$ 17,500	\$ -	\$ 3,517,548.96	\$ 855,075.82	\$ 434,875.82
October 1 2018		18%	\$ 52,763.23	\$ -	\$ -	\$ 3,583,962.19	\$ 906,598.96	\$ 517,548.96
November 1 2018		18%	\$ 53,759.43	\$ -	\$ -	\$ 3,651,371.62	\$ 959,362.19	\$ 583,962.19
December 1 2018		18%	\$ 54,770.57	\$ -	\$ -	\$ 3,719,792.20	\$ 1,013,121.62	\$ 651,371.62
January 1 2019		18%	\$ 55,796.88	\$ -	\$ -	\$ 3,789,239.08	\$ 1,067,892.20	\$ 719,792.20
February 1 2019		18%	\$ 56,838.59	\$ -	\$ -	\$ 3,859,727.67	\$ 1,123,689.08	\$ 789,239.08
March 1 2019		18%	\$ 57,895.92	\$ -	\$ -	\$ 3,931,273.58	\$ 1,180,527.67	\$ 859,727.67
April 1 2019		18%	\$ 58,969.10	\$ -	\$ -	\$ 4,003,892.69	\$ 1,238,423.58	\$ 931,273.58
May 1 2019		18%	\$ 60,058.39	\$ -	\$ -	\$ 4,077,601.08	\$ 1,297,392.69	\$ 1,003,892.69
June 1 2019		18%	\$ 61,164.02	\$ -	\$ -	\$ 4,152,415.09	\$ 1,357,451.08	\$ 1,077,601.08
July 1 2019 (For June 1 - June 5 Period)		18%	\$ 10,238.83	\$ -	\$ -	\$ 4,176,303.93	\$ 1,418,615.09	\$ 1,152,415.09
							<b>1,428,853.93</b>	<b>1,176,303.93</b>



Exhibit 4: \$2.0M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc. - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
<b>Funds Received</b>	<b>2,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit D).
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G).
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87).
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	<b>\$ (2,000,000.00)</b>		
Compound Interest - July 5, 2017 Accrual Date to June 5, 2019	(729,783.23)	1,2,3,4	A&M Estimation, \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to June 5, 2019)	(141,225.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to June 5, 2019)	(52,500.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	<b>\$ (653,508.23)</b>		
<b>Total Estimated Amount Outstanding Under Loan #2 As of June 5, 2019</b>	<b>\$ (2,653,508.23)</b>		

Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5: \$2M Facility Interest Schedule									
Interest Accrual Date (for previous month)		Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees	
						\$	-		
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	\$ -	\$(270,000.00)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	\$ -	\$(248,816.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	\$ -	\$(227,216.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	\$ -	\$(195,116.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	\$ -	\$(163,016.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	\$ -	\$(130,916.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	\$ -	\$(98,816.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	\$ -	\$(66,716.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	\$ -	\$(34,616.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	\$ -	\$(2,516.13)
June 1 2018	18%	\$ 30,443.76	\$ -	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	\$ -	\$ 29,583.87
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ -	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	\$ -	\$ 62,127.63
August 1 2018	18%	\$ 31,915.64	\$ -	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	\$ -	\$ 127,709.54
September 1 2018	18%	\$ 32,425.88	\$ -	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	\$ -	\$ 161,725.19
October 1 2018	18%	\$ 32,943.77	\$ -	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	\$ -	\$ 196,251.06
November 1 2018	18%	\$ 33,469.42	\$ -	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	\$ -	\$ 231,294.83
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ -	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	\$ -	\$ 266,864.25
January 1 2019	18%	\$ 35,072.13	\$ -	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	\$ -	\$ 338,142.22
February 1 2019	18%	\$ 35,629.72	\$ -	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	\$ -	\$ 375,314.35
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ -	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	\$ -	\$ 413,044.07
April 1 2019	18%	\$ 37,321.35	\$ -	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	\$ -	\$ 488,089.73
May 1 2019	18%	\$ 37,912.67	\$ -	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	\$ -	\$ 527,511.07
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ -	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	\$ -	\$ 567,523.74
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 6,521.64	\$ -	\$ -	\$ 2,100	\$ 2,653,508.23	\$ 729,783.23	\$ -	\$ 644,886.59
									\$ 653,508.23

**Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest**

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillisboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	<b>\$ (1,500,000.00)</b>		
Compound Interest - November 7, 2017 Advance Date to June 5, 2019	(626,684.66)	1,2,3	A&M Estimation, \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by lender for interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Forbearance Fees (Up to June 5 2019)	(84,000.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to June 5 2019)	(55,125.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	<b>\$ (563,309.66)</b>		
<b>Total Amount Outstanding Under Loan #3 As of June 5, 2019</b>	<b>\$ (2,063,309.66)</b>		

**Notes**

- 1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017
- 2 - Interest assumed to be 30% compounded monthly from October 9 2018 to June 5, 2019
- 3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.
- 4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).



Exhibit 2: \$15M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ -	(202,500.00)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,517,092.74	\$ 173,467.74	(8,032.26)
August 1 2018	18%	\$ 22,756.99	\$ -	\$ -	\$ 1,517,092.74	\$ 195,967.74	17,092.74
September 1 2018	18%	\$ 23,137.11	\$ -	\$ -	\$ 1,542,474.13	\$ 218,724.13	42,474.13
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ -	\$ 1,568,236.25	\$ 241,861.25	68,236.25
November 1 2018 (30% Interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ -	\$ 1,619,584.79	\$ 265,384.79	119,584.79
December 1 2018	30%	\$ 41,463.00	\$ -	\$ -	\$ 1,658,519.83	\$ 301,694.83	158,519.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ -	\$ 1,702,607.83	\$ 343,157.83	202,607.83
February 1 2019	30%	\$ 43,694.95	\$ -	\$ -	\$ 1,747,798.03	\$ 385,723.03	247,798.03
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ -	\$ 1,794,117.98	\$ 429,417.98	294,117.98
April 1 2019	30%	\$ 46,748.65	\$ -	\$ -	\$ 1,869,945.93	\$ 474,270.93	369,945.93
May 1 2019	30%	\$ 47,982.99	\$ -	\$ -	\$ 1,919,319.57	\$ 521,019.57	419,319.57
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ -	\$ 1,969,927.56	\$ 569,002.56	469,927.56
July 1 2019 (For June 1 - June 5 Period)	30%	\$ 8,433.91	\$ -	\$ -	\$ 2,052,250.75	\$ 618,250.75	552,250.75
					\$ 2,063,309.66	\$ 626,684.66	563,309.66

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(51,337)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
Closing Funds	\$ 664,626

**Ceana Development Sunridge Inc. (in receivership)  
Analysis of Hillsboro Secured Claim Quantum as at October 31, 2020**

**DRAFT AND CONFIDENTIAL  
FOR DISCUSSION PURPOSES ONLY**

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at October 31, 2020  
Ceana Development Sunridge Inc. (in Receivership)  
CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
<b>BLG Trust Account Advances</b>						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
<b>Total Advances</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 6,500,000</b>		
<b>BLG Trust Account Disbursements</b>						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	-	(18,769)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)		1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)		5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
<b>Total Disbursements</b>	<b>\$ (3,000,000)</b>	<b>\$ (2,000,000)</b>	<b>\$ (1,500,000)</b>	<b>\$ (6,500,000)</b>		
<b>Accrued Interest and Fees</b>						
Estimated Compound Interest - Loan Advance Date to October 31, 2020	(2,644,644)	(1,513,322)	(1,617,685)	(5,775,651)	3	3; 4; 5; 6; 7; 8; 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3; 4; 5; 6; 7; 8
Forbearance & Legal Fees	(67,500)	(324,975)	(236,250)	(628,725)		9
Monitoring Fees	(434,700)	(84,000)	(94,500)	(613,200)		5; 7; 9
<b>Total Accrued Interest and Fees</b>	<b>\$ (2,596,844)</b>	<b>\$ (1,652,297)</b>	<b>\$ (1,745,935)</b>	<b>\$ (5,995,076)</b>		
Repayment of Dentons Trust Funds to Hillsboro	-	-	611,986	611,986		12
<b>Estimated Amount Outstanding as at October 31, 2020</b>	<b>\$ (5,596,844)</b>	<b>\$ (3,652,297)</b>	<b>\$ (2,633,950)</b>	<b>\$ (11,883,090)</b>		

**Notes**

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield.
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty.
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.
- 5 - Trust funds paid to Hillsboro on April 9, 2020.

**Source Documents Referenced for Analysis**

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel ("Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

**Note:**

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

**Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest**

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
<b>Total Funds Advanced</b>	<b>\$ 3,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(107,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	<b>\$ (3,000,000.00)</b>		
<b>Compound Interest - Jan 12, 2017 Advance Date to October 31, 2020</b>	<b>(2,644,843.56)</b>	<b>2,3,4</b>	A&M Estimate, \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4; Ferra affidavit of default (Page 2 Para.3/4/5).
<b>Add back amount withheld by Lender for Interest on amendment and new mortgage</b>	<b>550,000.00</b>		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
<b>Forbearance and Legal Fees</b>	<b>(67,500.00)</b>	<b>5</b>	Forbearance Agreement - Article 3.2(a).
<b>Monitoring Fees Paid to Neotric (up to October 31, 2020)</b>	<b>(434,700.00)</b>		Forbearance Agreement - Article 3.3(m).
	<b>\$ (2,596,843.56)</b>		
<b>Total Estimated Amount Outstanding Under Loan #1 As of October 31 2020</b>	<b>\$ (5,596,843.56)</b>		

**Notes**

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017 (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1)
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement.



## Exhibit 3: \$3M Facility (Loan # 1) - Interest Schedule

Interest-Accrual Date	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ -	\$ (550,000.00)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	\$ (520,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	\$ (475,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	\$ (430,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	\$ (385,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	\$ (340,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	\$ (295,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	\$ (250,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	\$ (205,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	\$ (160,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	\$ (115,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	\$ (16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	\$ 37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	\$ 92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	\$ 148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	\$ 205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	\$ 265,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	\$ 321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	\$ 434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	\$ 517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	\$ 585,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	\$ 651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	\$ 719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	\$ 789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,577.67	\$ 859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	\$ 931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	\$ 1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	\$ 1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	\$ 1,152,415.09
July 1 2019	18%	\$ 62,286.23	\$ -	\$ 13,650	\$ 4,228,351.32	\$ 1,480,901.32	\$ 1,228,351.32
August 1 2019	18%	\$ 63,425.27	\$ -	\$ 13,650	\$ 4,305,426.59	\$ 1,544,376.59	\$ 1,305,426.59
September 1 2019	18%	\$ 64,581.40	\$ -	\$ 13,650	\$ 4,383,657.99	\$ 1,608,907.99	\$ 1,385,657.99
October 1 2019	18%	\$ 65,754.87	\$ -	\$ 13,650	\$ 4,463,062.86	\$ 1,674,662.86	\$ 1,463,062.86
November 1 2019	18%	\$ 66,945.94	\$ -	\$ 13,650	\$ 4,543,658.80	\$ 1,741,608.80	\$ 1,543,658.80
December 1 2019	18%	\$ 68,154.88	\$ -	\$ 13,650	\$ 4,625,463.68	\$ 1,809,763.68	\$ 1,625,463.68
January 1 2020	18%	\$ 69,381.96	\$ -	\$ 13,650	\$ 4,708,495.64	\$ 1,879,145.64	\$ 1,708,495.64
February 1 2020	18%	\$ 70,627.43	\$ -	\$ 13,650	\$ 4,792,773.07	\$ 1,949,773.07	\$ 1,792,773.07
March 1 2020	18%	\$ 71,891.60	\$ -	\$ 13,650	\$ 4,878,314.67	\$ 2,021,664.67	\$ 1,878,314.67
April 1 2020	18%	\$ 73,174.72	\$ -	\$ 13,650	\$ 4,965,139.39	\$ 2,094,839.39	\$ 1,965,139.39
May 1 2020	18%	\$ 74,477.09	\$ -	\$ 13,650	\$ 5,053,266.48	\$ 2,169,316.48	\$ 2,053,266.48
June 1 2020	18%	\$ 75,799.00	\$ -	\$ 13,650	\$ 5,142,715.48	\$ 2,245,115.48	\$ 2,142,715.48
July 1 2020	18%	\$ 77,140.73	\$ -	\$ 13,650	\$ 5,233,506.21	\$ 2,322,256.21	\$ 2,233,506.21
August 1 2020	18%	\$ 78,502.59	\$ -	\$ 13,650	\$ 5,325,658.80	\$ 2,400,758.80	\$ 2,325,658.80
September 1 2020	18%	\$ 79,884.88	\$ -	\$ 13,650	\$ 5,419,193.68	\$ 2,480,643.68	\$ 2,419,193.68
October 1 2020	18%	\$ 81,287.91	\$ -	\$ 13,650	\$ 5,514,131.59	\$ 2,561,931.59	\$ 2,514,131.59
November 1 2020	18%	\$ 82,711.97	\$ -	\$ -	\$ 5,596,843.56	\$ 2,644,643.56	\$ 2,596,843.56

**Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest**

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillisboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc. - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillisboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Page 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
<b>Funds Received</b>	<b>2,000,000.00</b>		
<b>Disbursed and Withheld by BLG</b>			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Page 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(649,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,515.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	<b>\$ (2,000,000.00)</b>		
Compound Interest - July 5, 2017 Accrual Date to October 31, 2020	(1,513,321.76)	1,2,3,4	A&M Estimation, \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to October 31 2020)	(324,975.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to October 31 2020)	(84,000.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	<b>\$ (1,652,296.76)</b>		
<b>Total Estimated Amount Outstanding Under Loan #2 As of October 31, 2020</b>	<b>\$ (3,652,296.76)</b>		

**Notes**

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5- \$2M Facility Interest Schedule  
Interest Accrual Data (for previous month)

	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ -	\$ (270,000.00)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 1,300,000.00	\$ 16,983.87	\$ (248,816.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	\$ (227,216.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	\$ (195,116.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	\$ (169,016.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	\$ (130,916.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	\$ (98,816.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	\$ (66,716.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	\$ (34,616.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 246,483.87	\$ (2,516.13)
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 276,483.87	\$ 29,583.87
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 306,927.63	\$ 62,127.63
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 337,859.54	\$ 127,709.54
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 369,775.19	\$ 161,725.19
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 402,201.06	\$ 196,251.06
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 435,144.83	\$ 231,294.83
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 468,614.25	\$ 266,864.25
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 502,617.22	\$ 338,142.22
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 537,689.35	\$ 375,314.35
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 573,319.07	\$ 413,044.07
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 609,514.73	\$ 488,089.73
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 646,836.07	\$ 527,511.07
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 684,748.74	\$ 567,523.74
July 1 2019	18%	\$ 39,673.30	\$ -	\$ 2,100	\$ 2,686,659.89	\$ 723,261.59	\$ 644,886.59
August 1 2019	18%	\$ 40,299.90	\$ -	\$ 2,100	\$ 2,729,059.79	\$ 762,934.89	\$ 686,659.89
September 1 2019	18%	\$ 40,935.90	\$ 36,750	\$ 2,100	\$ 2,808,845.69	\$ 803,234.79	\$ 729,059.79
October 1 2019	18%	\$ 42,132.69	\$ -	\$ 2,100	\$ 2,853,078.37	\$ 844,170.69	\$ 808,845.69
November 1 2019	18%	\$ 42,796.18	\$ -	\$ 2,100	\$ 2,897,974.55	\$ 886,303.37	\$ 853,078.37
December 1 2019	18%	\$ 43,469.62	\$ 36,750	\$ 2,100	\$ 2,980,294.17	\$ 929,099.55	\$ 897,974.55
January 1 2020	18%	\$ 44,704.41	\$ -	\$ 2,100	\$ 3,027,098.58	\$ 972,569.17	\$ 980,294.17
February 1 2020	18%	\$ 45,406.48	\$ -	\$ 2,100	\$ 3,074,605.06	\$ 1,017,273.58	\$ 1,027,098.58
March 1 2020	18%	\$ 46,119.08	\$ 36,750	\$ 2,100	\$ 3,159,574.13	\$ 1,062,680.06	\$ 1,074,605.06
April 1 2020	18%	\$ 47,393.61	\$ -	\$ 2,100	\$ 3,209,067.75	\$ 1,108,799.13	\$ 1,159,574.13
May 1 2020	18%	\$ 48,136.02	\$ -	\$ 2,100	\$ 3,259,303.76	\$ 1,156,192.75	\$ 1,209,067.75
June 1 2020	18%	\$ 48,889.56	\$ 36,750	\$ 2,100	\$ 3,347,043.32	\$ 1,204,328.76	\$ 1,259,303.76
July 1 2020	18%	\$ 50,205.65	\$ -	\$ 2,100	\$ 3,399,348.97	\$ 1,253,218.32	\$ 1,347,043.32
August 1 2020	18%	\$ 50,990.23	\$ -	\$ 2,100	\$ 3,452,439.20	\$ 1,303,423.97	\$ 1,399,348.97
September 1 2020	18%	\$ 51,786.59	\$ 36,750	\$ 2,100	\$ 3,543,075.79	\$ 1,354,414.20	\$ 1,452,439.20
October 1 2020	18%	\$ 53,146.14	\$ -	\$ 2,100	\$ 3,598,321.93	\$ 1,406,200.79	\$ 1,543,075.79
November 1 2020	18%	\$ 53,974.83	\$ -	\$ 2,100	\$ 3,652,296.76	\$ 1,459,346.93	\$ 1,598,321.93
	18%	\$ 53,974.83	\$ -	\$ -	\$ 3,652,296.76	\$ 1,513,321.76	\$ 1,652,296.76

Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	<b>\$ (1,500,000.00)</b>		
Compound Interest - November 7, 2017 Advance Date to October 31, 2020	(1,617,885.48)	1,2,3	ABM Estimation, \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Payment of trust funds to Hillsboro	611,985.94		Dentons Trust account statement
Forbearance Fees (Up to October 31 2020)	(236,250.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to October 31 2020)	(94,500.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	<b>\$ (1,133,949.54)</b>		
<b>Total Amount Outstanding Under Loan #3 As of October 31, 2020</b>	<b>\$ (2,633,949.54)</b>		

Notes

- 1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017.
- 2 - Interest assumed to be 30% compounded monthly from October 9 2018 to October 31, 2020
- 3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.
- 4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).



Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ -	\$ 1,500,000.00	\$ -	\$ (202,500.00)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 15,967.74	\$ (185,907.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 38,467.74	\$ (158,782.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 60,967.74	\$ (133,657.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 83,467.74	\$ (108,532.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 105,967.74	\$ (83,407.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 128,467.74	\$ (58,282.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 150,967.74	\$ (33,157.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 173,467.74	\$ (8,032.26)
August 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,517,092.74	\$ 195,967.74	\$ 17,092.74
September 1 2018	18%	\$ 22,756.39	\$ -	\$ -	\$ 1,542,474.13	\$ 218,774.13	\$ 42,474.13
October 1 2018	18%	\$ 23,137.11	\$ -	\$ -	\$ 1,568,236.25	\$ 241,861.25	\$ 68,236.25
November 1 2018 (30% interest starting on October 9 2018)	18%	\$ 23,523.54	\$ 25,200	\$ -	\$ 1,619,584.79	\$ 265,384.79	\$ 119,584.79
December 1 2018	30%	\$ 36,310.05	\$ -	\$ -	\$ 1,658,519.83	\$ 301,694.83	\$ 158,519.83
January 1 2019	30%	\$ 41,463.00	\$ -	\$ -	\$ 1,702,607.83	\$ 343,157.83	\$ 203,607.83
February 1 2019	30%	\$ 43,694.95	\$ -	\$ -	\$ 1,747,798.03	\$ 385,723.03	\$ 247,798.03
March 1 2019	30%	\$ 44,852.95	\$ -	\$ -	\$ 1,794,117.98	\$ 429,417.98	\$ 294,117.98
April 1 2019	30%	\$ 46,748.65	\$ -	\$ -	\$ 1,869,945.93	\$ 474,270.93	\$ 369,945.93
May 1 2019	30%	\$ 47,982.99	\$ -	\$ -	\$ 1,919,319.57	\$ 521,019.57	\$ 419,319.57
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ -	\$ 1,969,927.56	\$ 569,002.56	\$ 469,927.56
July 1 2019	30%	\$ 51,306.27	\$ -	\$ -	\$ 2,052,250.75	\$ 618,250.75	\$ 552,250.75
August 1 2019	30%	\$ 52,654.55	\$ -	\$ -	\$ 2,106,182.02	\$ 669,557.02	\$ 606,182.02
September 1 2019	30%	\$ 54,036.54	\$ 30,450	\$ -	\$ 2,161,461.57	\$ 722,211.57	\$ 661,461.57
October 1 2019	30%	\$ 56,214.33	\$ -	\$ -	\$ 2,248,573.11	\$ 776,248.11	\$ 748,573.11
November 1 2019	30%	\$ 57,685.31	\$ -	\$ -	\$ 2,307,412.44	\$ 832,462.44	\$ 807,412.44
December 1 2019	30%	\$ 59,193.07	\$ 30,450	\$ -	\$ 2,367,722.75	\$ 890,147.75	\$ 867,722.75
January 1 2020	30%	\$ 61,499.77	\$ -	\$ -	\$ 2,459,990.82	\$ 949,340.82	\$ 959,990.82
February 1 2020	30%	\$ 63,102.89	\$ -	\$ -	\$ 2,524,115.59	\$ 1,010,840.59	\$ 1,024,115.59
March 1 2020	30%	\$ 64,746.09	\$ 30,450	\$ -	\$ 2,589,843.48	\$ 1,073,943.48	\$ 1,089,843.48
April 1 2020	30%	\$ 67,191.61	\$ -	\$ -	\$ 2,687,664.57	\$ 1,138,689.57	\$ 1,187,664.57
May 1 2020	30%	\$ 69,637.38	\$ -	\$ -	\$ (611,985.94)	\$ -	\$ (611,985.94)
June 1 2020	30%	\$ 55,043.94	\$ 30,450	\$ -	\$ 2,145,495.24	\$ 1,205,881.18	\$ 1,257,481.18
July 1 2020	30%	\$ 57,246.91	\$ -	\$ -	\$ 2,201,757.62	\$ 1,259,518.56	\$ 1,313,743.56
August 1 2020	30%	\$ 58,743.71	\$ -	\$ -	\$ 2,289,876.56	\$ 1,314,562.50	\$ 1,401,862.50
September 1 2020	30%	\$ 60,277.93	\$ 30,450	\$ -	\$ 2,349,748.48	\$ 1,371,809.42	\$ 1,461,734.42
October 1 2020	30%	\$ 62,611.75	\$ -	\$ -	\$ 2,411,117.19	\$ 1,430,553.13	\$ 1,523,103.13
November 1 2020	30%	\$ 64,242.67	\$ -	\$ -	\$ 2,504,470.12	\$ 1,490,831.06	\$ 1,616,456.06
					\$ 2,569,706.87	\$ 1,553,442.81	\$ 1,681,592.81
					\$ -	\$ 1,617,685.48	\$ 1,745,935.48

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim

Legal Fees Paid to Dentons

Fees Paid to Altus Group

Fees Paid to BLG

Transfer of Funds to Hillsboro on April 9, 2020

Closing Funds

735,724
(103,977)
(6,930)
(12,831)
(611,986)
\$ -

DAVID T. MADSEN, Q.C.  
T 403-232-9612  
F 403-266-1395  
[dmadsen@blg.com](mailto:dmadsen@blg.com)  
file no : 443707-06

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
[blg.com](http://blg.com)



**DELIVERED BY EMAIL**

September 24, 2018

Low, Glenn & Card LLP  
100, 2886 Sunridge Way NE  
Calgary, Alberta T1Y 7H9

**Attention: Thomas Glenn**

Dear Sir:

**Re: Foreclosure by Hillsboro Ventures Inc. ("Hillsboro")**

We are writing to you in response to your letter dated September 12, 2018.

We confirm that Borden Ladner Gervais LLP ("BLG" or "we") acted for Hillsboro in connection with the loan advances to Ceana Development Sunridge Inc. ("Ceana") pursuant to the three mortgages registered on behalf of Hillsboro.

As per your request, please find enclosed:

**\$3,000,000.00 Loan**

- (a) Statement of Disbursement of Funds (advance date January 12, 2017);
- (b) BLG Trust Detail with respect to (a) above;
- (c) Statement of Disbursement of Funds (advance date March 2, 2017);
- (d) BLG Trust Detail with respect to (c) above; and
- (e) BLG Trust Letter to KH Dunkley Law Group dated March 2, 2017.

**\$2,000,000.00 Loan**

- (a) Statement of Disbursement of Funds (various advance dates);
- (b) BLG Trust Detail with respect to (a) above;
- (c) BLG Trust Letter to KH Dunkley Law Group dated August 2, 2017;
- (d) Copy of cheque to Alpha Steel Builders Inc. issued by Hillsboro dated July 11, 2017;
- (e) BLG Letter to Hillsboro dated August 18, 2017 for prepaid interest, fees and payment of Alpha Steel Builders Inc. (\$640,000.00);
- (f) BLG Letter to Hillsboro dated September 1, 2017 (\$94,500.00) for prepaid interest;

- (g) BLG Trust Letter to KH Dunkley Law Group dated October 6, 2017;
- (h) BLG Trust Letter to KH Dunkley Law Group dated October 10, 2017; and
- (i) BLG Trust Letter to KH Dunkley Law Group dated October 17, 2017.

**\$1,500,000.00 Loan**

- (a) Statement of Disbursement of Funds (November 7, 2017);
- (b) BLG Trust Detail with respect to (a) above. As of September 18, 2018, we confirm that we are holding \$759,227.51 in our account;
- (c) BLG Trust Letter to KH Dunkley Law Group dated November 7, 2017; and
- (d) BLG Letter to Hillsboro dated November 3, 2017 (funds representing broker fees, management fees and prepaid interest).

With respect to the letter dated August 25, 2017 (the "Letter") from BLG and addressed to Fast Track Development ("Fast Track"), we advised Fast Track that BLG was holding \$2,440,000.00 in our trust account on behalf of Hillsboro to be used only for the purpose of the development of the Project (as defined therein) and no other uses. We refer you to document (b) under the \$2,000,000.00 loan and the line item dated August 29, 2017 evidencing that BLG had \$2,449,524.16 in our trust account on this matter. In response to your query as to an explanation why those funds were not available when requested, our statement in the Letter was a confirmation of factual information. Under the Letter, BLG had no obligation to advance funds directly to Fast Track or to Ceanà. **WAS NOT IN THE TRUST ACCOUNT AND THERE WAS NO REASON FOR THESE FUNDS TO BE IN HERE AS THEY DONT CORRESPOND TO THE REPORTS OR TRUST**

Yours truly,

BORDEN LADNER GERVAIS LLP



DAVID T. MADSEN

assistant: Chris Moggert  
direct line: 403.232.9604  
/encs



BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 440221-04A TM  
LENDER: HILLSBORO ENTERPRISES INC.  
BORROWER: CEANA DEVELOPMENTS SUNRIDGE INC.  
PROPERTY: 2255 - 32 Street NE, Calgary

**THIS WAS NEVER PUT INTO  
THE TRUST ACCOUNT AT  
BLG THEREFORE THIS WAS  
NOT ACCOUNTED FOR  
FROM THEM IN THE TRUST  
ACCOUNT BUT ONLY THEIR  
REPORTS**

FIRST AND FINAL ADVANCE - Date: January 12, 2017

PRINCIPAL AMOUNT OF LOAN:	\$3,000,000.00
Withheld by Lender re. 2 <sup>nd</sup> Mortgage Funded	\$650,000.00
Withheld by Lender for interest on amendment and new mortgage	\$550,000.00
TOTAL FUNDS RECEIVED:	<u>\$1,800,000.00</u>

DISBURSED HEREWITH:

Withheld for legal fees & disbursements	\$8,450.00
Paid KH Dunkley Law Group – in trust	\$1,231,350.00
Withheld re. holdback until final documents	\$500,000.00
Withheld for payment of broker fees	\$60,000.00
Withheld for final disbursements	<u>\$200.00</u>

TOTAL DISBURSED THIS ADVANCE: \$1,800,000.00

E. & O.E.

# Borden Ladner Gervais LLP Trust Detail

Client/Matter/Trust		Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
440221	Hillsboro Enterprises Inc.							
000004	Ceana Development Sunridge Inc.							
Canadian Dollars								
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)								
4/14/2016	Payor: CC CIBC BD/ Hillsboro Enterprises Inc., Cheque Number: 267788016, Cheque Date: 04/12/16, CC CIBC BD/ Hillsboro Enterprises Inc Re: Mortgage proceeds	4/14/2016		Principal		630,000.00	630,000.00	
4/14/2016	Payor: NC Liberty Mortgage Corp., Cheque Number: 254, Cheque Date: 04/11/16, NC Liberty Mortgage Corp Re: legal retainer	4/21/2016		Principal		2,500.00	632,500.00	
4/29/2016	Payee: KH Dunkley Law Group, Cheque Number: 52019771, Cheque Date: 04/29/16, TM Loan Advance			Principal	-567,670.43	64,829.57	64,829.57	
5/2/2016	Payee: Hillsboro Enterprises Inc., Cheque Number: 52019773, Cheque Date: 05/02/16, TM Lender's fee			Principal	-31,500.00	33,329.57	33,329.57	
5/2/2016	Payee: Hillsboro Enterprises Inc., Cheque Number: 52019774, Cheque Date: 05/02/16, TM Prepaid interest			Principal	-27,300.00	6,029.57	6,029.57	
5/6/2016	Payee: Borden Ladner Gervais LLP, Cheque Number: 52019797, Cheque Date: 05/06/16, To transfer funds to general account to pay invoice 697335396			Principal	-5,977.96	51.61	51.61	
11/18/2016	Payee: Borden Ladner Gervais LLP, Cheque Number: 52020568, Cheque Date: 11/18/16, Transfer to general account to pay invoice # 697397105			Principal	-51.61	0.00	0.00	
1/10/2017	Payor: CC CIBC Draft (Hillsboro Enterprises Inc., Cheque Number: 275201002, Cheque Date: 01/09/17, CC CIBC Draft (Hillsboro Enterprises Inc.) Re: Mortgage Proceeds	1/10/2017		Principal	1,800,000.00	1,800,000.00	1,800,000.00	
1/12/2017	Payee: KH Dunkley Law Group - in trust, Cheque Number: 52020849, Cheque Date: 01/12/17, TM Loan Advance			Principal	-1,231,350.00	568,650.00	568,650.00	
1/13/2017	Payee: Yorkfield Financial Corporation, Cheque Number: 52020860, Cheque Date: 01/13/17, TM Broker Fee (50)			Principal	-30,000.00	538,650.00	538,650.00	
1/13/2017	Payee: Liberty Mortgage Services Ltd, Cheque Number: 52020861, Cheque Date: 01/13/17, TM Broker fee (50)			Principal	-30,000.00	508,650.00	508,650.00	
3/2/2017	TR FR 440221/000004 to 443707/000001 transfer money as it will be disbursed from the other file			Principal	-500,000.00	8,650.00	8,650.00	
3/9/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 03/09/17, TM Balance of funds in trust			Principal	-210.65	8,439.35	8,439.35	
3/10/2017	Payee: Borden Ladner Gervais LLP, Cheque Number: 52021091, Cheque Date: 03/10/17, To transfer funds to general account to pay invoice 697438485			Principal	-8,439.35	0.00	0.00	
11/9/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 11/09/17, Stale Dated Cheque Cancellation			Principal	210.65	210.65	210.65	
11/13/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 11/13/17, PM Balance in trust - re: issuing of stale dated cheque			Principal	-210.65	0.00	0.00	
6/12/2018	Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 06/12/18, Stale Dated Cheque Cancellation			Principal	210.65	210.65	210.65	

THIS DEPOSIT SHOULD HAVE BEEN \$2,350,000 WHICH IS THE 1.8M AND THE 550K INTEREST RESERVE BY HB THIS AMOUNT MIS REPRESENTED AND LOAN FUNDED

# Borden Ladner Gervais LLP

## Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
			Trust Total		210.65		
			Held Amount		0.00		
			Available Amount		210.65		
Total Canadian Dollars							
			Trust Total		210.65		
			Held Amount		0.00		
			Available Amount		210.65		

## Summary

Trust Currency	Trust Total	Held Amount	Available Amount
Canadian Dollars:	\$210.65	\$0.00	\$210.65



BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-01 TM  
 LENDER: HILLSBORO VENTURES INC.  
 BORROWER: CEANA DEVELOPMENTS SUNRIDGE  
 PROPERTY: 443707-01

**THIS WAS NEVER PUT  
 INTO THE TRUST  
 ACCOUNT AT BLG  
 THEREFORE THIS WAS  
 NOT ACCOUNTED FOR  
 FROM THEM IN THE  
 TRUST ACCOUNT BUT  
 ONLY THEIR REPORTS**

FIRST AND FINAL ADVANCE - Date: March 2, 2017

PRINCIPAL AMOUNT OF LOAN:	\$3,000,000.00
Less previously advanced on January 12, 2017	(\$1,300,000.00)
Less amount withheld by Lender for interest amendment and new mortgage	(\$550,000.00)
Less amount withheld by Lender to payout Hillsboro Enterprises mortgage	(\$650,000.00)
TOTAL FUNDS RECEIVED:	<u>\$500,000.00</u>

DISBURSED HERewith:

Paid BLG legal fees & disbursements	\$10,768.74
Paid KH Dunkley Law Group - in trust - net mortgage proceeds	\$489,031.26
Withheld for final disbursements	<u>\$200.00</u>

USED THIS ADVANCE: \$500,000.00

0° \*

3,000,000.00 +  
 1,300,000.00 -  
 550,000.00 -  
 650,000.00 -  
 500,000.00 \*+  
 500,000.00 +  
 10,768.74 -  
 200.00 -  
 489,031.26 \*+

0° \*

0° \*

0° \*

Report: trt06

## Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
443707 Hillsboro Ventures Inc.							
000001 Ceana Developments Sunridge							
Canadian Dollars							
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
3/2/2017			TR FR 440221/0000004 to 443707/000001 transfer money as it will be disbursed from the other file	Principal	500,000.00	500,000.00	
3/2/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021075 , Cheque Date: 03/02/17 , T/M Net Mortgage Proceeds	Principal	-489,031.26	10,968.74	
3/10/2017			Payee : Borden Ladner Gervais LLP , Cheque Number: 52021091 , Cheque Date: 03/10/17 , To transfer funds to general account to pay invoice 697437219	Principal	-10,768.74	200.00	
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
			Trust Total		200.00		
			Held Amount		0.00		
			Available Amount		200.00		
Total Canadian Dollars			Trust Total		200.00		
			Held Amount		0.00		
			Available Amount		200.00		
Summary							
Trust Currency			Trust Total		\$200.00		
Canadian Dollars:			Held Amount		\$0.00		
			Available Amount		\$200.00		

Travis McArthur  
Direct tel.: (403) 232-9720  
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com



File No. 443707-01

March 2, 2017

KH Dunkley Law Group  
20, 1915 - 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khail Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.  
\$3,000,000.00

We enclose herewith our firm trust cheque in the sum of \$489,031.26 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

The enclosed funds are sent to you on the trust condition that within a reasonable period of time you will provide us with proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2016. ✓

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.


Note that the enclosed funds are not releasable until we confirm that the Certificate of Insurance is acceptable.

We have withheld the sum of \$200.00 in anticipation of final disbursements and will provide you with our statement of account in due course.

We confirm our undertaking that we will discharge LTO Registration Nos. 161 114 539-40 and 171 023 796 as well as PPR Registration no. 16042644218 and will provide you with a Certificate of Title and PPR Discharge Notice in due course.

Yours truly,

BORDEN LADNER GERVAIS LLP



TRAVIS MCARTHUR  
/cb

paralegal: Cecilia Brandao  
direct line: 403.232.9524  
e-mail: cbrandao@blg.com

CAL01-#2185926-v1-mORTGAGE\_disB\_JETTER\_- 443707-01



BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-04  
 LENDER: Hillsboro Ventures Inc.  
 BORROWER: Ceana Development Sunridge Inc.  
 PROPERTY: 2255-32 Street NE, Calgary

**ACCOUNTING BY BLG IS INCORECT AS THERE SHOULD HAVE BEEN 2M INTO THE TRUST AND THEN THE PAYMENTS TO ALPHA STEEL/KASON/FT/PRIMARY / LEGAL = 1.3 NET AND NOT GROSS - (SEE BLG PG 13)**

**ONLY ITEM THAT SHOULD HAVE BEEN ON THIS REPORT IS 2M IN AND 2 M DISBURSED OUT. NO NEOTRIC LOAN SHOULD HAVE EVER BEEN HERE AND DEPOSITED TO THE TRUST ACCOUNT AS ALL LOANS HAVE BEEN ACCOUNTED FOR. THIS WAS A CLEAR MISREPRESENTATION TO MAKE FT BELIEVE THERE WAS MONEY FOR WORK. THIS IS SUPPORTED BY THE LETTER THAT WAS WRITTEN TO FT BEFORE THESE FUNDS WERE EVER IN THE ACCOUNT**

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - July 12, 2017

Credits

\$1,300,000.00

Debits

- (SEE BLG PG 13)  
 Balance of 2M loan.  
 THIS SHOULD BE 2M

TRANSEFER FROM NEOTRIC ENTERPRISES INC. FILE- August 29, 2017

\$2,441,524.16

**Not mortgage amounts this should not have been here**

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - September 8, 2017

\$260,000.00

**Not mortgage amounts this should not have been here**

**TOTAL FUNDS RECEIVED:**

\$4,001,524.16

**AMOUNTS DISBURSED:**

August 3, 2017 - PAID Alpha Steel Inc. - Disbursement of Loan Proceeds	\$150,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Kason Excavating - Disbursement of Loan Proceeds	\$100,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Fast Track Commercial Inc. - Disbursement of Loan Proceeds	\$300,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Primary Engineering and Construction Corp. - Disbursement of Loan Proceeds	\$93,584.17	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 18, 2017 - Paid KH Dunkley Law Group - in trust - disbursement of loan proceeds	\$8,415.83	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 18, 2017 - Paid Hillsboro Ventures Inc. re Prepaid interest fee	\$640,000.00	<b>KEPT BY HB</b>
September 1, 2017 - PAID Hillsboro Ventures Inc. - Prepaid Interest, Fees, etc.	\$94,500.00	<b>KEPT BY HB</b>
September 19, 2017 - PAID Borden Ladner Gervais LLP - Transfer Funds to General Account to pay Invoice 697499913	\$8,000.00	
October 6, 2017 - PAID KH Dunkley Law Group - in trust - Loan Advance	\$100,000.00	

October 10, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$167,000.00
October 17, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$338,500.00
TOTAL DISBURSED:	<u>\$2,000,000.00</u>
October 20, 2017 – Paid to Neotric Enterprises Inc. for excess funds in our trust account	\$501,524.16
Transfer of funds to matter 05 – third loan to Ceana	<b>MTG NOT SIGNED</b> <u>\$1,500,000.00</u>
Total Disbursed	<b>TILL NOV 1 2017</b> <u>\$4,001,524.16</u> <b>WHY MONEY IN ACCOUNT???</b>

E. & O.E.

**It is like they advanced the trust account with other money to pay their bills and make fastrack do work and then did a mtg after thefact to recoup funding. This was not a mortgage that ceana was advanced because the next mtg was in Oct. Ceana never authorized this to be done on their behalf. The loaned the trust account \$ to cover their interest. This money from Neotric should never have been advanced as this is not CEANA money or the three mtgs. Again HB took this on themself to make these decisions.**



# Borden Ladner Gervais LLP

Page 1

Printed: 9/13/2018 4:27 PM ET

Report: trt06

## Trust Detail

Client/Matter/Trust

Tran Date Hold Date

Amount Type GIC Amount Balance Next Compound Date

443707 Hillsboro Ventures Inc.

000004 Ceana Development Sunridge Inc. (second

Canadian Dollars

CDN

Trust Id #4520 CAL - RBC SCDN Trust (CT05)

7/12/2017 Payor: NC Hillsboro Ventures Inc., Cheque Number: 000313, Cheque Date: 07/04/17, NC Hillsboro Ventures Inc. re: Mortgage proceeds **SHOULD HAVE BEEN 2M DEPOSITED AND THEN THE DISB BELOW** Principal 1,300,000.00

8/2/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021670, Cheque Date: 08/02/17, TM re: Net Mortgage proceeds Principal -652,000.00

8/2/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021670, Cheque Date: 08/02/17, Check Cancellation - to re-issue Principal 652,000.00

8/3/2017 Payee: Alpha Steel Inc., Cheque Number: 52021671, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -150,000.00

8/3/2017 Payee: Kason Excavating, Cheque Number: 52021672, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -100,000.00

8/3/2017 Payee: Fast Track Commercial Inc., Cheque Number: 52021673, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -300,000.00

8/3/2017 Payee: Primary Engineering and Construction Corp., Cheque Number: 52021674, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -93,584.17

8/3/2017 Payee: KH Dunkley Law Group, Cheque Number: 52021675, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -8,415.83

8/18/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021734, Cheque Date: 08/18/17, TM Prepaid Interest, Fees, Etc. Principal -640,000.00

8/29/2017 TR FR 444103/000001 to 443707/000004 money will be disbursed on file 443707/000004 pursuant to instructions from client Principal 2,441,524.16

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021790, Cheque Date: 09/01/17, TM re: Lender Fees Principal -94,500.00

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021790, Cheque Date: 09/01/17, Wrong description on the cheque; to be reissued Principal 94,500.00

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021791, Cheque Date: 09/01/17, TM re: Prepaid interest, fees, etc. Principal -94,500.00

9/1/2017 Payor: NC Hillsboro Ventures Inc., Cheque Number: 000319, Cheque Date: 08/28/17, NC Hillsboro Ventures Inc. re: Mortgage proceeds Principal 260,000.00

9/19/2017 Payee: Borden Ladner Gervais LLP, Cheque Number: 52021864, Cheque Date: 09/19/17, To transfer funds to general account to pay invoice 697499913 Principal -8,000.00

10/5/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021932, Cheque Date: 10/06/17, TM Loan Advance Principal -100,000.00

10/10/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021937, Cheque Date: 10/10/17, TM Loan Advance Principal -167,000.00

AGAIN BLG  
CONFIRMED  
MONEY  
IN THEIR TRUST  
ACCOUNT THEY  
DID NOT HAVE

NOT PER ANY OF  
OUR MTGS PER  
OUR  
ACCOUNTING  
THERE THIS  
WAS A  
MISPRESNTATI  
ON

# Borden Ladner Gervais LLP

Page 2

Printed: 9/13/2018 4:27 PM ET

Report: trt06

## Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
	10/16/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021965, Cheque Date: 10/16/17, TM Advance of funds	Principal	-300,000.00	2,040,024.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021967, Cheque Date: 10/17/17, TM Advance of funds	Principal	-338,500.00	1,701,524.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021965, Cheque Date: 10/17/17, check cancellation - issued for wrong amount	Principal	300,000.00	2,001,524.16	
	10/18/2017		Moeny will be disbursed on the other file 443707-05	Principal	-1,500,000.00	501,524.16	
	10/20/2017		Payee : Neotric Enterprises Inc., Cheque Number: 52021980, Cheque Date: 10/20/17, TM Return of excess trust funds	Principal	-501,524.16	0.00	

Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)

Trust Total 0.00  
Held Amount 0.00  
Available Amount 0.00

**EARLY FUNDED AND MTG NOT SIGNED UNTIL NOV 1 2018 - WHEY WOULD THEY ADVANCE MONEY WHEN NO SIGNED DOCUMENT FOR MTG**

**THIS WAS NOT OUR LOAN AND THIS MONEY SHOULD NOT HAVE BEEN IN THE TRUST ACCOUNT IN THE FIRST PLACE**

Total Canadian Dollars

Trust Total 0.00  
Held Amount 0.00  
Available Amount 0.00

## Summary

Trust Currency Canadian Dollars: Trust Total \$0.00 Held Amount \$0.00 Available Amount \$0.00



Travis McArthur  
Direct.tel.: (403) 232-9720  
e-mail: tmcarthur@blg.com

File No. 443707-04

August 2, 2017

KH Dunkley Law Group  
20, 1915 – 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES  
INC.  
\$2,000,000.00 **2M - 652K = \$1,348,000 THAT SHOULD BE IN TRUST ACCOUNT**

We enclose herewith our firm trust cheque in the total sum of \$652,000.000 representing the net mortgage proceeds, broken out as follows:

Alpha Steel Inc.	\$150,000.00
Kason Excavating	\$100,000.00
Fast Track Commercial Inc.	\$300,000.00
Primary Engineering and Construction Corp.	\$93,584.17
KH Dunkley Law Group	\$8,415.83

The enclosed funds are sent to you on the trust condition that:

1. You provide the enclosed cheques to an officer of the Borrower (other than the cheque made payable to KH Dunkley Law Group) and advise such officers to pay the respective contractor; and
2. You ensure that title insurance policy no. 170728001418 is in place and that you have a mortgage and are free to utilize same, and you have submitted the same for registration and in due course you provide us a copy of the title(s) evidencing the Mortgage and our Caveat as registered.

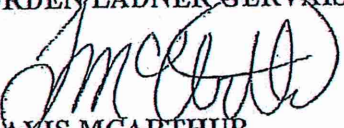
If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.



We will provide our Statement of funds received and advanced via email.

Yours truly,

BORDEN/LADNER GERVAIS LLP



TRAVIS MCARTHUR  
/nl

paralegal: Na Lu  
direct line: 403.232.9671  
e-mail: nlu@blg.com

000315

HILLSBORO VENTURES INC.  
927 7A STREET N.W.  
CALGARY, ALBERTA T2M 3J4

DATE 2017-07-11  
Y Y Y Y M M D D

PAY to the order of ALPHA STEEL BUILDERS INC \$310,000.00  
THREE HUNDRED TEN THOUSAND DOLLARS - 00/100  
HILLSBORO VENTURES INC.

CIBC CANADIAN IMPERIAL BANK OF COMMERCE  
MOUNT ROYAL  
1222 - 17TH AVE. S.W.  
CALGARY, ALBERTA T2T 0B8

RE Cash/Draw/Em PER [Signature]

⑈000315⑈ ⑆00209⑈010⑆ 47⑈01712⑈

PART OF THE CHEQUE THAT WAS DISBURSED TO HB THEREFORE THIS IS NOT ADDITIONAL FUNDING. THIS WAS CLEAR THROUGH THE HAND WRITTEN REPORT PROVIDED TO US.

ALSO FURTHER DOCUMENTED BELOW



Travis McArthur  
T (403) 232-9720  
(403) 266-1395  
tcarthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com

File No.: 443707/04

August 18, 2017

**HILLSBORO VENTURES INC.**  
927-7A Street N.W.  
Calgary, Alberta T2M 3J4

**Attention: Keith Ferrel**

Dear Sirs:

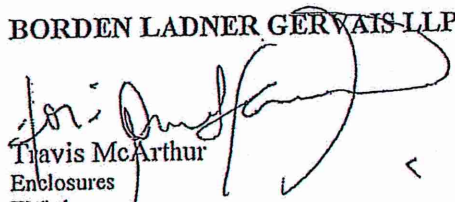
**Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.**  
**\$2,000,000.00**  
**PLAN 9811891**  
**BLOCK 8**  
**LOT 1**  
**EXCEPTING THEREOUT ALL MINES AND MINERALS**

With respect to the above, we enclose our trust cheque in the amount of \$640,000.00 representing the release of the prepaid interest, fees and advance Alpha Steel.

We trust the enclosed to be satisfactory. We will send a copy of our invoice once all the disbursements have been posted.

Yours truly,

**BORDEN LADNER Gervais-LLP**

  
Travis McArthur  
Enclosures  
TM\cb

Legal Assistant: Cecilia Brandao  
Email: fbrandao@blg.com  
Direct Line: 403-232-9524

Travis McArthur  
T (403) 232-9720  
(403) 266-1395  
mcarthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com



File No.: 443707/04

September 1, 2017

HILLSBORO VENTURES INC.  
927-7A Street N.W.  
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.  
PLAN 9811891  
BLOCK 8  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS

With respect to the above, we enclose our trust cheque in the amount of \$94,500.00 representing the prepaid interest on this loan.

We trust the enclosed to be satisfactory.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in dark ink, appearing to read 'Travis McArthur', is written over the printed name.

Travis McArthur  
Enclosures  
TM/cb

Legal Assistant: Cecilia Brandao  
Email: [cbrandao@blg.com](mailto:cbrandao@blg.com)  
Direct Line: 403-232-9524

Travis McArthur  
Direct.tel.: (403) 232-9720  
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 Third Avenue S.W.  
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 6, 2017

KH Dunkley Law Group  
20, 1915 – 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.

With respect to the above noted matter, we enclose the following:

1. A Land Titles Postponement executed by Hillsboro Ventures Inc. (the "Postponement"). You are authorized to insert the Connect First Credit Union registration particulars once known; and
2. Our firm's trust cheque in the amount of \$100,000.00.

The Postponement is sent to you on the following trust conditions:

1. That you pay out and discharge the Canadian Western Bank mortgage and send to our office an updated Certificate of Title evidencing the discharge instruments 161 114 537-8; and
2. That you send to our office evidence of discharge of the CWB PPR registration No. 160421284403.

The enclosed funds are sent to you on the following trust conditions:

1. That you shall use up to \$70,000.00 for the development of the project located at 2255 – 32<sup>nd</sup> Street NE, Calgary, AB; and
2. That you shall hold \$30,000.00 in your trust account pending further written instructions from our office.

If you are not able to comply with the above trust conditions you are to return the Postponement and the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP

  
TRAVIS MCARTHUR

Travis McArthur  
Direct.tel.: (403) 232-9720  
e-mail: tmcarthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 Third Avenue S.W.  
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 10, 2017

KH Dunkley Law Group  
20, 1915 – 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

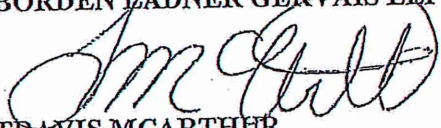
Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES  
INC.

With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$167,000.00. This amount is fully releasable provided that the funds are used for the development of the project located at 2255 – 32<sup>nd</sup> Street NE, Calgary, AB.

We advise that the amount of \$30,000.00 held by your office from the total amount sent to you on October 6, 2017 is now releasable.

Yours truly,

BORDEN LADNER GERVAIS LLP

  
TRAVIS MCARTHUR  
TMcb



Travis McArthur  
Direct tel.: (403) 232-9720  
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 Third Avenue S.W.  
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 17, 2017

KH Dunkley Law Group  
20, 1915 – 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. (the "Borrower") by HILLSBORO VENTURES INC.

With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$338,500.00. The enclosed funds are sent to you on the following trust conditions:

1. That you shall immediately pay \$312,000.00 to Fast Track Commercial Inc. in payment for services rendered in connection with the project located at 2255 – 32<sup>nd</sup> Street NE, Calgary ("the Project"); and
2. That you shall hold the balance of \$26,500.00, minus your legal fees, in trust and apply them to future Project costs.

If you are not able to comply with the above trust conditions you are to return the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP

  
TRAVIS MCARTHUR  
TMcb

**Branch Cecilia**

---

**From:** Amanda Luong <Amanda@khlawgroup.com>  
**Sent:** October-18-17 10:10 AM  
**To:** McArthur, Travis  
**Cc:** Brandao, Cecilia; Mah, Patrick; Khalil Haji  
**Subject:** RE: Hillsboro loan to Ceana

That's great.

Thanks Travis,

Amanda Luong | Paralegal  
e. [amanda@khlawgroup.com](mailto:amanda@khlawgroup.com)

---

**KH | Dunkley Law Group**  
20, 1915- 32<sup>nd</sup> Avenue N.E.  
Calgary, Alberta T2E 7C8  
p. 403.207.4662  
f. 587.318.6755  
[www.khlawgroup.com](http://www.khlawgroup.com)

This e-mail communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return e-mail and delete this communication and any copy immediately. Thank you.

---

**From:** McArthur, Travis [mailto:TMcArthur@blg.com]  
**Sent:** Wednesday, October 18, 2017 10:07 AM  
**To:** Amanda Luong  
**Cc:** Brandao, Cecilia; Mah, Patrick; Khalil Haji  
**Subject:** RE: Hillsboro loan to Ceana

Hi Amanda,

Please accept this email as confirmation that our trust letter of yesterday's date is amended such that your office is authorized to pay the sum of \$310,125.91 to Factors Western Inc. and the balance of funds (minus your legal fees) are to be held by your office in trust to be applied to future project costs.

Please let us know if you need anything further.

Thanks,  
Travis

**Travis McArthur**  
Associate  
T 403.232.9720 | F 403.266.1395 | [tmcarthur@blg.com](mailto:tmcarthur@blg.com)  
Centennial Place, East Tower, 1900, 520 – 3rd Ave S W, Calgary, AB, Canada T2P 0R3

---

**Brandao, Cecilia**

---

**From:** Amanda Luong <Amanda@khlawgroup.com>  
**Sent:** October-18-17 9:11 AM  
**To:** McArthur, Travis  
**Cc:** Brandao, Cecilia; Mah, Patrick; Khalil Haji  
**Subject:** RE: Hillsboro loan to Ceana  
**Attachments:** Notice of Direction and Invoice.PDF

Hello Travis,

Further to your trust letter of yesterday's date, please see the attached the letter of direction and invoice received from Factors Western Inc. on behalf of Fast Track Commercial Inc.

Accordingly, we request that you amend your trust condition for us to pay the sum of \$310,125.91 to Factors Western Inc. in accordance with the attached.

Please advise at your earliest opportunity.

Kind regards,

Amanda Luong | Paralegal  
e. [amanda@khlawgroup.com](mailto:amanda@khlawgroup.com)

---

KH | Dunkley Law Group  
20, 1915- 32<sup>nd</sup> Avenue N.E.  
Calgary, Alberta T2E 7C8  
p. 403.207.4662  
f. 587.318.6755  
[www.khlawgroup.com](http://www.khlawgroup.com)

This e-mail communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return e-mail and delete this communication and any copy immediately. Thank you.

---

**From:** McArthur, Travis [mailto:TMcArthur@blg.com]  
**Sent:** Monday, October 16, 2017 4:46 PM  
**To:** Amanda Luong  
**Cc:** Brandao, Cecilia; Mah, Patrick  
**Subject:** RE: Hillsboro loan to Ceana

Hi Amanda,

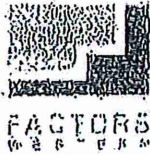
I've cc'ed my colleague Pat Mah on this email as he's going to handle the preparation of the new security documents.

I spoke with Pat and his intention is to get security documents to you on Wednesday. Please let us know if that timeline is problematic from your perspective.

Thanks.

Travis





# NOTICE OF SALE AND ASSIGNMENT OF DEBT & DIRECTION TO PAY

To: CEANA DEVELOPMENT INC.

May 17, 2017

## ATTENTION: ACCOUNTS PAYABLE

As of the date above, FACTORS WESTERN INC. has been contracted by FAST TRACK COMMERCIAL INC. to assist them with the administration of their accounts receivable. In this regard, they have assigned to Factors Western Inc. the present accounts owing to them by your company, in the sum of \$310,125.91 pursuant to Invoice FT17-552 dated January 5, 2017.

The signature "Assignor" which appears below is your complete and authority to submit payment directly to Factors Western Inc. at Suite 204, 236 Street 105, Calgary, Alberta T2E 1V9 and our receipt thereof shall be the only full and complete discharge to you of and from the said account.

The assignment referred to herein is for the valuable consideration and is unconditional and irrevocable unless or until withdrawn in writing by Factors Western Inc.

FACTORS WESTERN INC.

FAST TRACK COMMERCIAL INC.

Authorized signatory

Authorized signatory of Assignor

**ACKNOWLEDGEMENT:** Please sign as indicated below and fax the signed copy to Factors Western Inc. at (403) 250-3150.

We acknowledge herewith that the account described in the above noted invoice is due and payable without dispute or offset and undertake to make payment directly to Factors Western Inc. at the address indicated above.

CEANA DEVELOPMENT INC.  
(Company)

Authorized Signature  
B. GALOVAR, PRESIDENT  
Print name and title

www.factorswestern.com

Fax: (403) 250-3150 - 236 Street 105, Calgary, Alberta T2E 1V9





Calgary : Ph: 403-2348610  
Fax: 403-234-8616  
Dir: 403-464-9659  
Toll Free: 855-723-6399  
Edmonton: Ph: 780-708-6295  
Dir: 780-708-6390  
Fax: 866-591-6581  
Email: [info@fasttrackcomm.ca](mailto:info@fasttrackcomm.ca)

## Progressive INVOICE

DATE: JAN.05,2017

Invoice: F.T17-552.

Address: 2255 32 Street NE, Calgary

Attn: Bob Gaidhar

Project Details: Sunridge Way NE

Total contract: \$ 7,425,800.00 plus GST

Progressive Invoice No 2:

10% hold back

Total:

GST

Payment Due:

\$ 328,175.57

\$ 32,817.56

\$ 295,358.01

\$ 14,767.90

\$ 310,125.91

We do appreciate your business.

Dan Deilami

[dan@fasttrackcomm.ca](mailto:dan@fasttrackcomm.ca)

GST#: 808032015RT0001

**ASSIGNMENT NOTICE**  
Pursuant to the terms of an  
accounts receivable purchase dated  
on or about Jan 17 2017  
This invoice has been transferred  
and is to be paid directly to:  
**Factors Western Inc.**  
Suite 204, 4321 - 23rd Street NE  
Calgary, AB T2E 7V9  
Any inquiries please call 1-877-717-2922

Calgary: P: 403-234-8610 F: 403-234-8616 Edmonton: P: 780-708-6295 F: 866-5916581

Factors Western Inc.  
204, 4321 - 23rd Street NE  
Calgary, AB T2E 7V9  
P: 403-250-1779 F: 403-250-3150

[info@fasttrackcomm.ca](mailto:info@fasttrackcomm.ca)

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-05  
LENDER: Hillsboro Ventures Inc.  
BORROWER: Ceana Development Sunridge Inc.  
PROPERTY: Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1

ADVANCE - Date: November 7, 201~~7~~

PRINCIPAL AMOUNT OF LOAN: \$1,500,000.00

Less:

Paid Hillsboro Ventures Inc. re Prepaid interest fee	\$202,500.00
Paid Hillsboro Ventures Inc. re Liberty Fees	\$27,500.00
Paid Neotric Enterprises Inc. re lender's fee	\$51,125.00
BALANCE IN TRUST:	<u>\$1,218,875.00</u>

DISBURSED HEREWITH:

Withheld for BLG legal fees & disbursements	\$10,000.00
Paid KH Dunkley Law Group - in trust - net mortgage proceeds	\$424,204.40
	<u>\$434,204.40</u>

0° \* 3D THIS ADVANCE:

0° \* DISBURSED: \$784,670.60

1,500,000.00 +  
202,500.00 -  
27,500.00 -  
51,125.00 -  
1,218,875.00 \*\*  
1,218,875.00 +  
10,000.00 -  
424,204.40 -  
784,670.60 \*\*

0° \*

0° \*

# Borden Ladner Gervais LLP Trust Detail

Client/Matter/Trust		Amount Type		GIC	Amount	Balance	Next Compound Date
Tran Date	Hold Date						
443707 Hillsboro Ventures Inc.							
000005 Ceana Development Sunridge Inc. (third I							
Canadian Dollars							
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
1	10/18/2017	Moeny will be disbursed on the other file 443707-05		Principal	1,500,000.00	1,500,000.00	
2	11/3/2017	Payee : Hillsboro Ventures Inc. , Cheque Number: 52022057 , Cheque Date: 11/03/17 , PM Prepaid Interest		Principal	-202,500.00	1,297,500.00	
3	11/3/2017	Payee : Hillsboro Ventures Inc. , Cheque Number: 52022058 , Cheque Date: 11/03/17 , PM Liberty Fees		Principal	-27,500.00	1,270,000.00	
4	11/3/2017	Payee : Neotric Enterprises Inc. , Cheque Number: 52022059 , Cheque Date: 11/03/17 , PM Lender's Fee		Principal	-51,125.00	1,218,875.00	
5	11/7/2017	Payee : KH Dunkley Law Group - in trust , Cheque Number: 52022066 , Cheque Date: 11/07/17 , PM Net Mortgage Proceeds		Principal	-424,204.40	794,670.60	
6	1/5/2018	Payee : Borden Ladner Gervais LLP , Cheque Number: 52022304 , Cheque Date: 01/05/18 , To transfer funds to general account to pay invoice 697536470		Principal	-10,000.00	784,670.60	
7	4/23/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697572443		Principal	-4,156.96	780,513.64	
8	5/31/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697586562		Principal	-18,076.57	762,437.07	
9	9/7/2018	TR FR 443707/000005 to 443707/000006 client has authorized payment of invoice 697598123 issued on matter 6 from the financing funds held in trust on matter 5		Principal	-3,209.56	759,227.51	
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)					Trust Total	759,227.51	
					Held Amount	0.00	
					Available Amount	759,227.51	
Total Canadian Dollars					Trust Total	759,227.51	
					Held Amount	0.00	
					Available Amount	759,227.51	

# Borden Ladner Gervais LLP

## Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
<b>Summary</b>							
<u>Trust Currency</u>			<u>Trust Total</u>	<u>Held Amount</u>	<u>Available Amount</u>		
Canadian Dollars:			\$759,227.51	\$0.00	\$759,227.51		



Patrick Mah  
Direct.tel.: (403) 232-9637  
e-mail: pmah@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com



File No. 443707-05

November 7, 2017

KH Dunkley Law Group  
20, 1915 - 32<sup>nd</sup> Avenue N.E.  
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.  
Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1 (the "Properties")

We enclose herewith our firm trust cheque in the sum of \$424,204.40 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

1. That you shall immediately pay \$424,204.40 to Fast Track Commercial Inc. in payment for change orders 1/2/3/4/8 as per invoices enclosed herewith.
2. That you will ensure payout and discharge of instrument number(s) 081 071 075 and 161 114 537-8 and provide our office with a certified copy of title(s) evidencing the above within a reasonable period of time.
3. That within a reasonable period of time you will provide us with the following:
  - (a) verification statement evidencing discharge of PPR registration number(s) 16042128403, 16042129029 and 16042819785 for CWB;
  - (b) proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2017 for Plan 0112710, Lot 1.
4. That you ensure that title insurance policy 171027002133 and 171102001025 are in place and that you have registerable mortgages and are free to utilize same, and you have submitted the same for registration in the following order:
  - (i) For Plan 9811891; Block 8; Lot 1: a) \$1,500,000.00 Mortgage; b) \$3,000,000.00 Mortgage;
  - (ii) For Lot 1, Plan 0112710: a) our Mortgage; and b) our Caveat with Assignments of Rents and Leases;

and in due course you provide us a copy of the titles evidencing the Mortgages and our Caveat as registered.

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.


In due course, please provide our office with Certificates of Insurance for the Properties.

We have withheld the sum of \$10,000.00 for our legal fee, disbursements and GST and will provide you with our statement of account in due course.

We confirm our undertaking that we will Postpone our Mortgage and Caveat 171 183 797-8 to the \$1,500,000.00 to be registered.

Yours truly,

**BORDEN LADNER GERVAIS LLP**



**PATRICK MAH**  
/cb

Legal Assistant: Cecilia Brandao  
direct line: 403.232.9524  
e-mail: cbrandao@blg.com

Patrick Mah  
T (403) 232-9637  
(403) 266-1395  
mah@blg.com

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com



File No.: 443707/05

November 3, 2017

**HILLSBORO VENTURES INC.**  
927-7A Street N.W.  
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.  
Plan 9811891; Block 8; Lot 1 and PLAN 0112710, Lot 1

With respect to the above, we enclose our trust cheques as follows:

- 1) \$202,500.00 representing the prepaid interest on this loan.
- 2) \$27,500.00 representing Liberty Fees.
- 3) \$51,125.00 payable to Neotric Enterprises Inc. representing Neotric's fees.

We trust the enclosed to be satisfactory.

Yours truly,

**BORDEN LADNER GERVAIS LLP**

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

Patrick Mah  
Enclosures  
PMcb

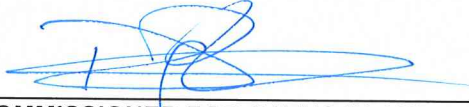
Legal Assistant: Cecilia Brandao  
Email: [cbrandao@blg.com](mailto:cbrandao@blg.com)  
Direct Line: 403-232-9524

THIS IS EXHIBIT "6-C"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



---

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Penlin  
Barrister and Solicitor



# Comments for Response to Receiver and HillsBoro(HB)

3-5-21

- I was under Duress which can be proven by email threats from Keith and hand written note and Yasmin has a Doctors note.

WE STAND BY OUR NUMBERS AND ACCOUNTING AND WE DO NOT ACCEPT OR AGREE TO MANAGEMENT FEES AND MONITORING FEES AND ANY OTHER FEES CHANGED ASIDE FROM ORIGINAL BROKER FEE

- Per all mortgage documents there ARE NO monitoring and management fees
- ~~Forbearance agreement~~ CHECK DOES IT HAVE THIS? (May 2018) *may 16 2018*
- Project was starved of funds from the beginning first mtg and continued to be through every loan

- Receiver needs to remove ALL MANAGEMENT AND MONITORING FEES, PENALTY FEES as these are not valid *(Forebearance Signed on 16 MAY 2018 - IN 2018 work was in June only 2 week)*
- HB was taking management and monitoring fees from the trust account and from interest reserve account, which was depleting the funds
- If he did not take these fees, there would have been enough money in the interest reserve to cover interest and no default. *This time Keith visited twice*

- There was also no work being done after ~~may~~ *June* 2018 therefore what was being managed and monitored

- He has shorted trust account significantly and then shorting the interest reserve account

- Monitoring fees are also being added to principle as additional fees which is incorrect
- If these were taken out then interest reserve account would have been fine

- Third loan fees to Neotric should not be charged. We did not have an agreement with Neotric. If HB did not have funds, that is not our problem - REMOVE

- The third loan - more then half was never funded and interest should not be charged on the balance that was never received. \$759,227.51 NEVER RECEIVED.

- They have charged interest on the full 1.5 Million from the beginning -again incorrect

- Receiver still calculating interest on this part of the loan that is still not received.

- Interest is being hugely inflated by monitoring and management and other fees - this has a significant impact on the Shortfall.

- DISPUTING: The difference in the interest sheets alone per above account for a difference of \$1,685,167(HB) - 1,177,153.48(OURS) = 508,013.52

- DISPUTING: Fees disputing from trust accounting = \$138,625

- DISPUTING: monitoring fees from the interest reserve account = \$336,000

- DISPUTING: Additional fees from the trust account = \$303,000

- DISPUTING: ALL EXTRA INTEREST TO DATE AS A RESULT OF THESE FEES THAT SHOULD NOT HAVE BEEN CHARGED

- TOTAL ABOVE (NOT INCLUDING ADDITIONAL INTEREST THAT NEEDS TO BE REMOVED FOR FEES AND DELAY OF BUILDING AND CHANGE OF BUILDING) = \$1,285,638.52

*only 2 week*  
*This time Keith visited twice*  
*only*  
*Steel control came on sat Aug 7th*  
*2018 - worked till Sept 10th*  
*real square was picked up at the end of sat*

*see notes on back page.*

*ON LAST PAGE*

- ALSO ANY ADDITIONAL FEES SHOULD HAVE BEEN STOPPED WHEN RECEIVER TOOK OVER AND ANY SUBSTANTIAL CHANGES MADE TO THE PLAN
  - Receiver Accounting:
    - o Prepaid interest completely inaccurate as some funds never made it to the account
    - o Interest account was starved due to over excessive and NOT APPROVED management fees and monitoring fees
- 
- ACCRUED INTEREST AND FEES OF \$5,995,076 PER RECEIVER COMPLETELY INACCURATE
    - o Per above NO MGMT and monitoring agreed
    - o You have calculated interest on full loan 3 and half WAS NOT FUNDED
    - o Interest over inflated by monitoring and management fees - REMOVE (\$- \$1,285,638.52
    - o Forbrance and legal fees – NOT OUR RESPONSIBILITY (TAKE OUT \$628,725)
    - o Remove monitoring fees (\$613,200)
    - o Additional discrepancy in interest at least \$2,000,000 due to interest being inaccurately charged on above (\$1,285,638.52+628,725+613,200)= \$2,527,563.52. \$2,527,563.52 x 18% for two years then 30% for third year) = 4,575,193.27 owing. Interest difference = \$2,047,629.75. Our revised interest number = \$5,775,651- 2,047,629.75=

Description	Total receiver	Actual (Ours)	Difference
Est interest	\$5,775,651	3,728,021	-2,047,629.75
Forbrance and legal fees	\$628,725	\$NIL	-\$628,725
monitoring fees	\$613,000	\$NIL	-\$613,000
Additional fees remove	\$1,285,638.52	\$NIL	-1,285,638.52
Total Difference (reduction)			-4,574,993.27

**PER MY ACCOUNTING, HILLSBORO'S NUMBERS ARE OVER STATED BY THE ABOVE = \$4,527,563.52. FOR SOME REASON, THE RECEIVER HAS AGREED TO HILLSBORO'S NUMBER, WITHOUT FURTHER LOOKING INTO AGREEMENTS AND CALCULATIONS AND HAS MADE FUNDAMENTAL ERRORS IN THEIR CALCULATIONS ARRIVING AT 11 MILLION AS YOU CAN SEE ABOVE.**

*Bib.*

I WOULD THINK THAT THE RECEIVER WOULD HAVE BEEN AN IMPARTIAL THIRD PARTY THAT IS INDEPENDENT AND WOULD EASILY CATCH THESE LARGE ERRORS IN THEIR ACCOUNTING.

CLEARLY, THEY ARE NOT IMPARTIAL AND MY LIFE AND ASSETS ARE ON THE LINE.

AS AN IMPARTIAL RECEIVER, THEY MUST LOOK AT BOTH SETS OF BOOKS AND COMPARE THEM AGAINST EACH OTHER TO FIND DISCREPANCIES. IT SEEMS THAT THEY HAVE JUST BLINDLY ACCEPTED HILLSBORO'S NUMBERS WITHOUT QUESTIONING ANY OF THEM. IT IS NOW UP TO THEM TO TAKE OUR NUMBERS AND PROVE US WRONG. THESE NUMBERS ARE BLACK AND WHITE AND HAVE BEEN CALCULATED SEVERAL TIMES ACCURATELY WITH NO WAVERING.

OUR ASK IS FOR THE RECEIVER TO DO WHAT THEY SHOULD HAVE IN THE FIRST PLACE AND TAKE OUR NUMBERS AS THE CORRECT NUMBERS, AND TRY TO DISPROVE OUR NUMBERS, AS WE STAND BY THEM. THIS IS THE ONLY WAY WE CAN MOVE FORWARD.

IF THEY ARE NOT CAPABLE OR WILLING TO BE IMPARTIAL, THEN THE COURT MUST APPOINT AN INDEPENDENT THIRD PARTY TO REVIEW THE ACCOUNTING FROM OUR BOOKS AND DISPROVE THEM.

← Forebarane signed on 16<sup>th</sup> May 2018 - work was done by (FTC) From June 1<sup>st</sup> to 15<sup>th</sup> - Keith was there twice only. HD construction came on site - mobilization on 7<sup>th</sup> August as steel was delivered on the site on. HD construction worked on site From 7<sup>th</sup> August till sept 1<sup>st</sup> 4<sup>th</sup> and Equipment was picked up - by them at the end of September - He saw Keith there a couple of times.

←



THIS IS EXHIBIT "7"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Poulin  
Barrister and Solicitor



## FORBEARANCE AGREEMENT

THIS AGREEMENT is made effective this 16<sup>th</sup> day of May, 2018.

### BETWEEN:

**HILLSBORO VENTURES INC.**  
(hereinafter called "**Hillsboro**")

- and -

**CEANA DEVELOPMENT SUNRIDGE INC.**  
(hereinafter called the "**Borrower**")

- and -

**Bahadur Gaidhar and Yasmin Gaidhar**  
(hereinafter called the "**Guarantors**")

- and -

**CEANA DEVELOPMENT WESTWINDS INC.**  
(hereinafter called the "**New Guarantor**" and,  
(the Borrower, the Guarantors, and the New Guarantor are hereinafter sometimes referred to as,  
collectively the "**Credit Parties**" and individually, each a "**Credit Party**")

### WHEREAS:

- A. The Borrower is the registered legal and beneficial owner of certain lands in the City of Calgary in the Province of Alberta, legally described as follows:

PLAN 9811891  
BLOCK 8  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.398 HECTARES (3.45 ACRES) MORE OR LESS

(the "**Lands**")

- B. Hillsboro has made certain loans (collectively, the "**Loans**") to the Borrower and, in connection therewith, the Borrower granted in favour of Hillsboro certain mortgage security against the Lands including *inter alia*: (i) a mortgage in the principal amount of \$1,500,000.00 registered as Registration No. 171 262 890 ("**Mortgage 1**"); (ii) a mortgage in the principal amount of \$2,000,000.00 registered as Registration No. 171 183 985 ("**Mortgage 2**"); and (iii) a mortgage in the principal amount of \$3,000,000.00 registered as Registration No. 171 023 797 ("**Mortgage 3**" and, together with Mortgage 1 and Mortgage 2, each a "**Mortgage**" and collectively referred to as the "**Mortgages**");
- C. Bahadur Gaidhar agreed to guarantee the indebtedness and other obligations of the Borrower to Hillsboro including, *inter alia*, the due repayment of the Loans together with interest thereon pursuant to guarantees dated March 1, 2017 in connection with Mortgage 3 (the "**Mortgage 3**");

**Guarantee**”), July 28, 2017 in connection with Mortgage 2 and November 1, 2017 in connection with Mortgage 1 (the “**Mortgage 1 Guarantee**”) (collectively referred to as the “**Bob Guarantees**”);

- D. Yasmin Gaidhar agreed to guarantee the indebtedness and other obligations of the Borrower to Hillsboro including, *inter alia*, the due repayment of the Loans together with interest thereon pursuant to guarantee dated November 1, 2017 in connection with Mortgage 1 (the “**Yasmin Guarantee**”) together with the Bob Guarantees, collectively referred to as the “**Guarantees**”);
- E. As security for the observance and performance of the Mortgage 3 Guarantee, the Mortgage 1 Guarantee and the Yasmin Guarantee, the Guarantors granted in favour of Hillsboro mortgage security against the lands legally described as follows:

PLAN 0112710

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 4.11 HECTARES (10.16 ACRES) MORE OR LESS

including (i) a mortgage in the principal amount of \$1,500,000.00 registered as Registration No. 171 262 892; (ii) a mortgage in the principal amount of \$3,000,000.00 registered as Registration No. 171 262 893 (collectively, the “**Gaidhar Mortgages**”);

- F. The New Guarantor is a corporation related to the Borrower;
- G. The Credit Parties acknowledge and agree that the Borrower is in default of its repayment obligations to Hillsboro (collectively, the “**Existing Defaults**”);
- H. Hillsboro has issued a Statement of Claim in Court of Queen’s Bench of Alberta Action No. 1801-04745 (the “**Action**”); and
- I. The Borrower and the Guarantors have requested that Hillsboro forbear from continuing to enforce its rights in respect of the Existing Defaults and Hillsboro has agreed to do so, subject to the terms and conditions herein;

**NOW THEREFORE**, in consideration of the foregoing and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties hereto, the parties hereto agree as follows:

## **ARTICLE 1 ACKNOWLEDGMENTS**

- 1.1 The parties hereby confirm and ratify the matters contained and referred to in the preamble to this Agreement and agree that same are expressly incorporated into and form part of this Agreement.
- 1.2 The Credit Parties agree and acknowledge that all of the security and guarantees provided by the Borrower and the Guarantors to Hillsboro are valid and enforceable and that amounts owing by the Borrower to Hillsboro under each of the Mortgages is as set out in Schedule “A” hereto.
- 1.3 Save as expressly provided in this Agreement, nothing in this Agreement is intended to alter, amend, modify or limit the existence or the effectiveness of any agreement now or hereafter entered into between Hillsboro and the Credit Parties (or any of them).

## ARTICLE 2 FORBEARANCE

- 2.1 The Borrower agrees to not file a Statement of Defence in the Action and shall execute and deliver the Consent Immediate Order for Sale to Plaintiff to Hillsboro ("**Order for Sale**"), in the form attached hereto as Schedule "B" concurrently with the execution of this Agreement.
- 2.2 Subject to the terms and conditions contained herein, Hillsboro will forbear from taking any further steps to enforce its security and not to make application to the Court of Queen's Bench to obtain the Order for Sale, unless and until there has been a material adverse change in the value of Hillsboro's security or the financial position of the Borrower, or there has been a default by one or more of the Credit Parties of the terms of this Agreement.
- 2.3 The Borrower, each Guarantor, and the New Guarantor agree to not oppose or in any way attempt to delay or hinder the Action, and in particular, Hillsboro's application for the Order for Sale.
- 2.4 The purchase price of the Lands pursuant to the Order for Sale shall be the fair market value of the Lands disclosed in a real estate appraisal performed by the Altus Group with such appraisal to have been completed within 14 Days of the Court of Queen's Bench of Alberta granting the Order for Sale to Plaintiff. The Credit Parties hereby waive any conflict of interest that the Altus Group may have and consent to the Altus Group performing such appraisal, and in so doing, using any and all information that the Altus Group may have at any time obtained directly or indirectly from any of the Credit Parties. The purchase price may be paid by Hillsboro assuming the amount owing pursuant to the mortgages having priority to Mortgage 3, with the balance of the purchase price to be paid by way of reduction of the amount owing pursuant to Mortgage 3, with all such amounts owing to be proven by way of affidavit evidence at the time the Order for Sale is granted.

## ARTICLE 3 OBLIGATIONS OF THE CREDIT PARTIES

- 3.1 The Borrower shall pay all outstanding property taxes in relation to the Lands on or before June 30, 2018.
- 3.2 The Borrower shall pay to Hillsboro:
  - (a) on the date of this Agreement, a forbearance fee of \$50,000.00 and the sum of \$17,500.00 for accruing legal fees and disbursements of Hillsboro's legal counsel in relation to this Agreement (collectively, the "**Forbearance Fee**") and the Credit Parties agree and acknowledge that the Forbearance Fee shall be deducted from those funds held in trust by Hillsboro's legal counsel in connection with Mortgage 1 and irrevocably directs Hillsboro's legal counsel to release such amounts to Hillsboro in payment of same;
  - (b) for so long as any amounts under Mortgage 2 remain outstanding, on July 5, 2018, a forbearance fee of \$31,000.00, on December 5, 2018, a forbearance fee of \$33,500.00, on March 5, 2018, a forbearance fee of \$35,000.00, and every three months thereafter, a forbearance fee of \$35,000.00;
  - (c) for so long as any amounts under Mortgage 1 remain outstanding, on September 30, 2018, a forbearance fee of \$24,000.00, on February 28, 2019, a forbearance fee of \$27,000.00, on May 31, 2019, a forbearance fee of \$29,000.00, and every three months thereafter, a forbearance fee of \$29,000.00; and

- (d) all other legal fees and disbursements incurred by Hillsboro's legal counsel in connection with the Action or this Agreement.

3.3 The Borrower shall:

- (a) on or before June 16, 2018, have all liens filed on the Certificate of Title to the Lands removed, and thereafter continue to ensure that no liens are registered against the Lands or the New Lands;
- (b) on or before May 20, 2018, provide Hillsboro all information to be prepared and/or provided (as applicable) by all parties pursuant to a Settlement Agreement, dated April 3, 2018, between Fast Track Commercial Inc. ("**Fast Track**"), Mohammad (Dan) Deilami, and Ceana Development Sunridge Inc. including, but not limited to, confirmation of amounts owing based on the review carried out by Rick Balbi Architects Ltd.;
- (c) on or before May 20, 2018, for all of the following that presently exist, and if any of the following come into existence thereafter, immediately upon their coming into existence:
  - (i) notice of any changes in purchasers of units of the Lands, specifically any cancellations by purchasers or new purchasers;
  - (ii) copies of all Quantity Surveyor Reports;
  - (iii) copies of all bills and invoices with respect to the project on the Lands;
  - (iv) change reports and amendments with respect to the project on the Lands;
  - (v) city inspection reports with respect to the project on the Lands;
  - (vi) copies of correspondence with the City of Calgary; and
  - (vii) correspondence with the architect together with any engineering reports with respect to the project on the Lands;
- (d) on or before June 15, 2018, have caused to be injected additional equity in the amount of at least \$500,000.00 and an additional \$500,000.00 before July 30, 2018, to be used as payment for steel joists, materials provided by Kason Industries Inc., plumbing, electrical, and other future and post-site work;
- (e) on or before July 20, 2018, obtain an additional draw from the mortgage registered as Instrument No. 171 240 017 over the Lands by Connect First Credit Union Ltd. (the "**Connect Mortgage**") and in no event shall such funds advanced under the Connect Mortgage exceed the maximum aggregate amount of \$10,000,000.00;
- (f) on or before August 20, 2018, obtain an additional draw from the Connect Mortgage and in no event shall such funds advanced under the Connect Mortgage (including such draw from (e) above) exceed the maximum aggregate amount of \$10,000,000.00;
- (g) on or before September 30, 2018, ensure that all paving required with respect to the Lands is fully completed;



- (h) on or before October 1, 2018, have obtained an occupancy permit for all premises excepting building E on the Lands and provided a copy thereof to Hillsboro;
  - (i) on or before December 30, 2018 have fully paid out the Connect Mortgage and provided evidence of a certificate of title with respect to the Lands evidencing the discharge of the Connect Mortgage to Hillsboro;
  - (j) on or before the Maturity Dates provided for in Schedule "A" in relation to each of the Mortgages, pay out the Outstanding Amounts of each of the Mortgages together with all accrued interest, and other amounts owing pursuant to the Mortgages;
  - (k) on or before the date of this Agreement provide letters to Hillsboro and addressed to each of the City of Calgary, BTY Group, and Rick Balbi Architects Ltd., in forms attached hereto as Schedules "C", "D", and "E" respectively, pursuant to which, *inter alia*, the Borrower agrees that in the event of foreclosure on the Lands, each of those parties may continue to provide information to and work with Hillsboro or any subsequent purchaser of the Lands;
  - (l) the Borrower shall ensure, with respect to the buildings on the Lands, that the items listed in Schedule "F" shall be completed as of and on the dates specified therein;
  - (m) the Borrower shall pay Neotric Enterprises Inc., in addition to any other monitoring fees, a monitoring fee of \$9,000.00 plus GST per month commencing January 1, 2018 (retroactive) up to July 31, 2018 and thereafter, a monitoring fee of \$13,000.00 plus GST per month, for as long as any there are any amounts outstanding under a Mortgage; and
  - (n) on or before December 5, 2018, have obtained an occupancy permit for building E and provided a copy thereof to Hillsboro.
- 3.4 The Borrower agrees that the standby monies (approximately \$750,000.00 as of the date hereof) held in trust by Hillsboro's legal counsel is to be used to pay:
- (a) interest in arrears;
  - (b) interest as due;
  - (c) fees;
  - (d) monitoring fees;
  - (e) prepaid interest;
  - (f) principal;
  - (g) legal fees; and
  - (h) other project costs

in connection with the Mortgages, all at the sole and absolute discretion of Hillsboro, without notice to any Credit Party. The bulk of these funds will stay in trust until the next advance under

the Connect Mortgage unless Hillsboro so chooses to deal with any portion or all the funds prior thereto.

3.5 The New Guarantor shall execute and deliver (as applicable) to Hillsboro concurrently with the execution of this Agreement:

- (a) a guarantee of the indebtedness and obligations of the Borrower to Hillsboro in the form attached hereto as Schedule "G" (the "**Additional Guarantee**");
- (b) a mortgage in the form attached hereto as Schedule "H", securing the New Guarantor's obligations pursuant to the Additional Guarantee (the "**New Mortgage**", together with the Mortgages, the Guarantees, the Gaidhar Mortgages, the Additional Guarantee and all supporting documents, agreements, certificates, instruments, acknowledgements and opinions the "**Loan Documents**") against lands and premises municipally described as 4850 Westwinds Drive NE and legally described as follows:

PLAN 9512983  
BLOCK 3  
LOT 8  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**New Lands**");

- (c) current certified rent roll, operating statements, detailed common area costs, copies of all leases and mortgages, in each case, with respect to the New Lands;
- (d) the latest Review Engagement, Notice to Reader, or Audited Financial Statements (as the case may be) of the New Guarantor;
- (e) copies of all monthly reports from Avenue Properties relating to the New Lands, as well as all future reports immediately upon availability thereof;
- (f) proof of all current and future payments to Liberty Investments Ltd. ("**Liberty**") permitted by Hillsboro in accordance with the terms hereof, made by the New Guarantor to Liberty in connection with the mortgage registered against the New Lands in favour of Liberty in the principal amount of \$1,450,000.00 (the "**Liberty Mortgage**"); and
- (g) an intercreditor agreement entered into by Liberty and Hillsboro and acknowledged by the New Guarantor with respect to the Liberty Mortgage.

#### ARTICLE 4 ADDITIONAL COVENANTS

4.1 The Credit Parties further covenant, acknowledge and agree with Hillsboro that:

- (a) the Credit Parties shall duly and punctually pay all amounts required to be paid by the Credit Parties hereunder in the manner specified hereunder and the Credit Parties shall perform and observe all of its obligations under this Agreement;

- (b) any and all payment or repayment, as the case may be, of the Liberty Mortgage shall be provided by 100% of the sale proceeds from each closed unit with respect to the New Lands;
- (c) any amount repaid or prepaid with respect to the Liberty Mortgage shall not be re-borrowed;
- (d) there shall be no further advances under the Liberty Mortgage;
- (e) the Borrower shall provide to Hillsboro a list of sources for all new capital injected into the project on the Lands, immediately upon availability thereof;
- (f) the Borrower shall give Hillsboro at least 48 hour prior written notice of all meetings held between subtrades, architects, engineers, and Fast Track;
- (g) the Borrower shall provide to Hillsboro a copy of the new CCDC-2 contract between Hillsboro and Fast Track immediately upon execution of same;
- (h) the Borrower shall immediately notify Hillsboro of any demands made by the City of Calgary with respect to the Lands and shall rectify or otherwise comply with such demands within 14 days of such demand being issued; and
- (i) in the event that an engineer or architect does not approve any component of the structures or any part of the project on the Lands, that the Borrower shall obtain such approval within 14 days.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES**

5.1 Each Credit Party represents and warrants to Hillsboro, as of the date hereof:

- (a) if a corporation, it has been duly incorporated and organized (or if a partnership or other legal entity, has been duly formed, or settled as relevant) and organized and is properly constituted, is in good standing and subsisting and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;
- (b) that the execution and delivery of this Agreement and any other document contemplated herein has been duly authorized and all corporate and other approvals and resolutions have been obtained prior to the execution and delivery of this Agreement the execution of this Agreement and any other security, guarantee or other document provided in connection with the Mortgages or herewith, and the incurring of liability and indebtedness to Hillsboro does not and will not contravene:
  - (i) any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, directive, guidance note, advisory, consent, approval, order, permit, franchise, licence, direction, deferred prosecution agreement or other requirement of any governmental authority (collectively, "**Legal Requirements**") applicable to such Credit Party; or
  - (ii) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party;

- (c) this Agreement, and any other document contemplated herein or otherwise related to the subject matter hereof have been duly authorized, executed and delivered by it, and constitute its valid and binding obligations and are enforceable in accordance with their respective terms;
- (d) all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the execution and delivery of this Agreement and any document contemplated by this Agreement for the purpose of ensuring that the Agreement and any such document is valid, effective and binding upon the parties hereto; and
- (e) all financial and other information provided to Hillsboro in connection herewith or the Loans is true and accurate, and it acknowledges that the forbearance contemplated herein is made in reliance on the truth and accuracy of this information and the above representations and warranties.

## ARTICLE 6 EVENTS OF DEFAULT

6.1 Each of the following shall constitute an event of default (an "**Event of Default**") under the terms of this Agreement:

- (a) if the Borrower, any Guarantors, or the New Guarantor, or any of them, fail to perform or comply with any of the agreements, covenants or obligations contained in this Agreement;
- (b) if a fire occurs on the Lands or the New Lands;
- (c) if any creditor or other person, exercises or purports to exercise any rights as against any of the Borrower, the Guarantors, or the New Guarantor, or any assets of any of them, including, without limitation, by way of or in contemplation of enforcement of security, or a distress or execution or, which would, in the assessment of Hillsboro to be determined in its absolute discretion, acting reasonably, have an adverse impact on any Credit Party, or the prospect of repayment of the Outstanding Amounts, or payment pursuant to any guarantee;
- (d) if proceedings are taken to enforce any encumbrance on the assets of any Credit Party, unless such proceedings are contested in good faith by any Credit Party and security satisfactory to Hillsboro has been provided to Hillsboro;
- (e) if any legal proceeding seeking the dissolution or division or wind-up of the Borrower, the New Guarantor, Ceana Development Evanstone Inc., or Fast Track, save for any legal proceeding to which Hillsboro consents in writing, is commenced; and
- (f) if a bankruptcy application or any other proceeding or case is filed, instituted, or commenced with respect to any Credit Party, Ceana Development Evanstone Inc., or Fast Track (by any person other than Hillsboro) under any bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debts, dissolution, liquidation, winding-up or similar law, now or hereafter in effect, seeking the bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debts of any Credit Party, Ceana Development Evanstone Inc., or Fast Track the appointment of a trustee, interim receiver, receiver, receiver and manager, custodian, guardian,



liquidator, provisional liquidator, administrator, sequestrator or other like official for any Credit Party, Ceana Development Evanstone Inc., or Fast Track or all or any substantial part of the assets of any Credit Party, Ceana Development Evanstone Inc., or Fast Track, or any similar relief.

- 6.2 In the event that an Event of Default occurs, and unless otherwise provided herein, the forbearance contemplated hereby shall immediately terminate and Hillsboro may continue to take proceedings to recover the indebtedness owing to it, including making application to the Court of Queen's Bench to obtain the Order for Sale, or other orders in the Action.

## **ARTICLE 7 NOTICE**

- 7.1 Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this Agreement shall be conclusively deemed to have been received by such party on the next business day following the sending of the notice by email at the email address below:

- (a) for any Credit Party:

Attention: Bahadur Gaidhar  
Ceana Development Sunridge Inc.  
c/o Suite 101, 3115 – 12<sup>th</sup> Street NE, Calgary, AB, Canada T2E 7J2  
Email: bg@ceana.ca

- (b) for Hillsboro:

Attention: David T. Madsen, Q.C.  
Borden Ladner Gervais LLP  
1900, 520 Third Avenue S.W., Calgary, AB, Canada T2P 0R3  
Email: dmadsen@blg.com

## **ARTICLE 8 MISCELLANEOUS**

- 8.1 The obligation of the Borrower to make all payments hereunder, under the Mortgages or under the New Mortgage shall be absolute and unconditional and shall be made without any deduction or withholding of any nature and shall not be limited or affected by any circumstance, including, without limitation:
- (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against Hillsboro or anyone else for any reason whatsoever; or
  - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.
- 8.2 In addition to and not in limitation of any rights now or hereafter available to Hillsboro under applicable law or arising under this Agreement or any documents contemplated hereby, Hillsboro is hereby irrevocably authorized, at any time and from time to time, to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by Hillsboro to or for the credit of the Borrower against and on account of the obligations of the Borrower to Hillsboro under this Agreement, irrespective of currency.

- 8.3 If any provision of this Agreement would obligate the Borrower to make any payment of interest or other amount payable to Hillsboro in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by Hillsboro of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by Hillsboro of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to Hillsboro under the this Agreement, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to Hillsboro which would constitute "interest" for purposes of Section 347 of the Criminal Code (Canada).
- 8.4 The Borrower shall pay to and indemnify and save harmless Hillsboro for the full amount of all out of pocket costs and expenses (including, but not limited to, any interest payable in order to maintain any Loans and legal fees and disbursements on a full indemnity and solicitor and his own client basis) which Hillsboro may sustain or incur as a consequence of the failure by the Borrower to pay when due any principal of or any interest on any Loans or any other amount due hereunder.
- 8.5 In the event of any conflict between the terms of this Agreement, the Mortgages, the New Mortgage or any other Loan Documents, Hillsboro, in its sole and absolute discretion, shall determine which document shall prevail.
- 8.6 The execution of this Agreement or any additional or other security or documentation will not act as a merger of or otherwise affect the enforceability of the Loans. All agreements and securities now or hereafter entered into by any Credit Party with or in favour of Hillsboro, whether related to the within transaction or otherwise, will be in addition to and not in substitution for any agreements or securities previously granted, unless expressly provided to the contrary therein.
- 8.7 No Credit Party shall assign all or any of its rights, benefits or obligations under this Agreement or the other Loan Documents without the prior written consent of Hillsboro. Hillsboro shall be entitled, without the consent of the Credit Parties, to assign, sell or transfer all or any portion of its rights, benefits and obligations under this Agreement or any other Loan Documents.
- 8.8 This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and may not be amended or modified except by written consent executed by all parties. There are no representations, warranties or undertakings between the parties hereto with respect to the subject matter hereof other than as set out in this Agreement.
- 8.9 Time is of the essence of this Agreement and all documents or instruments delivered hereunder.
- 8.10 Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- 8.11 This Agreement will be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 8.12 Hillsboro's rights and remedies hereunder are cumulative and not exclusive of any rights or remedies at law or in equity.

- 8.13 The Credit Parties shall take all such steps and execute all such documents as are necessary or appropriate to carry out the terms and intention of this Agreement.
- 8.14 All schedules attached hereto are and form part of this Agreement.
- 8.15 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:
- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
  - (b) the legality, validity or enforceability of that provision in any other jurisdiction.
- 8.16 The headings contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 8.17 This Agreement may be signed in one or more counterparts, originally or by facsimile and PDF and each such counterpart taken together will form one and the same agreement. A facsimile, or PDF transmitted or other copy of this Agreement shall be as effective as an original.
- 8.18 The benefits conferred by this Agreement and the other Loan Documents shall enure to the benefit of Hillsboro and its successors and assigns and shall be binding on each Credit Party and their respective heirs, successors and permitted assigns.
- 8.19 The Credit Parties (and each of them) acknowledge that they have had an opportunity to obtain independent legal advice and if they have not obtained independent legal advice they expressly waive their right to do so.

*(Remainder of page left intentionally blank)*

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto:

HILLSBORO VENTURES INC.

Per: 

Name: KEITH FERRER

Title: MANAGER

CEANA DEVELOPMENT SUNRIDGE INC.

Per: 

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


Title: \_\_\_\_\_

CEANA DEVELOPMENT WESTWINDS INC.


Per: 

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

Title: \_\_\_\_\_

  
Witness to Bahadur Gaidhar

  
BAHADUR GAIDHAR

  
Witness to Yasmin Gaidhar

   
YASMIN GAIDHAR



**SCHEDULE "A"**  
**BUILDING DEVELOPMENT REQUIREMENTS REGARDING THE LANDS**

MORTGAGE	OUTSTANDING AMOUNTS	MATURITY DATE
Mortgage 1	\$1,500,000.00 ("Outstanding Amount 1")	September 30, 2018
Mortgage 2	\$2,000,000.00 ("Outstanding Amount 2")	July 5, 2018
Mortgage 3	\$3,000,000.00 ("Outstanding Amount 3")	January 9, 2018

**SCHEDULE "B"**  
**CONSENT IMMEDIATE ORDER FOR SALE TO PLAINTIFF**

*(see attached)*

COURT FILE NUMBER 1801-

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF **HILLSBORO VENTURES INC.**

DEFENDANT **CEANA DEVELOPMENT SUNRIDGE INC.**

DOCUMENT **CONSENT IMMEDIATE ORDER FOR SALE  
TO PLAINTIFF**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT

David T. Madsen, Q.C.  
Borden Ladner Gervais LLP  
1900, 520 3<sup>rd</sup> Ave. S.W.  
Calgary, AB T2P 0R3

Ph. (403) 232-9612 Fx. (403) 266-1395  
Email: dmadsen@blg.com  
File No.: 443707-000006/DTM

DATE ON WHICH ORDER WAS PRONOUNCED:	DAY, 201
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta
NAME OF MASTER / JUSTICE WHO MADE THIS ORDER:	

Upon the application of the plaintiff; and upon the Court determining that it is not necessary to attempt a public sale of the mortgaged lands; And upon hearing counsel for the plaintiff and noting the Consent of the Defendant:

**IT IS HEREBY ORDERED AND DECLARED THAT:**

In this order the mortgaged lands are the following:

PLAN 9811891  
BLOCK 8  
LOT 1  
Excepting thereout all mines and minerals

1. The mortgage described in the statement of claim is a valid and enforceable mortgage over the mortgaged lands (the "Mortgage").
2. It is declared that there is due and owing pursuant to Mortgage the sum of \$ \_\_\_\_\_ as at the date of this Order.

3. The plaintiff's offer to purchase the mortgaged lands for \$\_\_\_\_\_, be and is hereby approved and accepted.
4. The plaintiff is not required to pay the purchase price into Court but may set off the purchase price by assumption of the amounts outstanding pursuant to the mortgages having priority to the Mortgage and set off against the amount outstanding under the Mortgage.
5. The plaintiff is given leave to apply for a deficiency judgment.
6. The Registrar of Land Titles shall cancel the existing certificate of title to the mortgaged lands and shall issue a new certificate of title in the name of the plaintiff (or such other transferee as directed by the plaintiff's counsel in correspondence sent to the Registrar of Land Titles at the time this order is submitted for registration) free and clear from the plaintiff's mortgage and all subsequent encumbrances, but subject to:
  - i. 771 147 064 20/10/1977 ZONING REGULATIONS
  - ii. 981 252 051 19/08/1998 RESTRICTIVE COVENANT
  - iii. 981 252 053 19/08/1998 RESTRICTIVE COVENANT
  - iv. 981 376 744 01/12/1998 EASEMENT
  - v. 171 183 985 18/08/2017 MORTGAGE
  - vi. 171 183 986 18/08/2017 CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES
  - vii. 171 240 017 26/10/2017 MORTGAGE
  - viii. 171 240 018 26/10/2017 CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES
  - ix. 171 240 021 26/10/2017 POSTPONEMENT
7. If the mortgaged lands are or become vacant then the plaintiff is entitled to immediate possession. If the mortgaged lands are not vacant then the defendant, any tenants, and any other occupants, shall deliver up to the plaintiff vacant possession of the mortgaged lands thirty (days) after service of this order upon them. Service of this order may be made on the occupants by posting same on the main entrance door to the mortgaged lands. A Civil Enforcement Agency has authority thirty days after service of this order has been effected, to evict any occupant of the mortgaged lands.
8. The requirement for service of documents prior to entry of this order, set out in Rule 9.35(1)(a), is hereby waived.



9. The Registrar of Land Titles shall comply with this Order forthwith notwithstanding Section 191(1) of the *Land Titles Act*.

---

MASTER IN CHAMBERS

**SCHEDULE "C"**  
**Letter to City of Calgary**

*(see attached)*

Ceana Development Sunridge Inc.  
101, 3115 – 12 Street NE  
Calgary, Alberta  
T2E 7J2

April \_\_, 2018

**Delivered by Email**

City of Calgary

To Whom It May Concern:

**Re:** CEANA DEVELOPMENT SUNRIDGE INC. – the Sunridge Project

With respect to the above captioned matter, Hillsboro Ventures Inc. (“**Hillsboro**”) has made certain loans (the “**Loans**”) to Ceana Development Sunridge Inc. (“**Ceana**”) that are secured by a mortgage, which has become due to Hillsboro. The Loans were made in connection with a development undertaken on the lands legally described as follows:

PLAN 9811891  
BLOCK 8  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.398 HECTARES (3.45 ACRES) MORE OR LESS

(the “**Lands**”)

The development on the Lands is with respect to 5 buildings for which construction is set to commence on April 12, 2018 (the “**Sunridge Project**”). Ceana entered into a contractual relationship with the City of Calgary in relation to the Sunridge Project. This letter is to confirm that in the event Hillsboro, or someone acting through Hillsboro, acquires the Sunridge Project, Ceana waives any conflict and consents to the City of Calgary continuing to work with Hillsboro and consents to provide them with any information they have in relation to the Sunridge Project or the Lands.

Yours truly,

CEANA DEVELOPMENT SUNRIDGE INC.

Bahadur Gaidhar

**SCHEDULE "D"**  
**Letter to Quantity Surveyor**

*(see attached)*

Ceana Development Sunridge Inc.  
101, 3115 – 12 Street NE  
Calgary, Alberta  
T2E 7J2

April \_\_, 2018

**Delivered by Email: alistairdearie@BTY.com; michaeljenkins@BTY.com**

BTY Group  
404 – 6 Ave SW  
Suite 645  
Calgary, AB T2P 0R9

**Attention: Alistair Dearie and Michael Jenkin**

**Re:** CEANA DEVELOPMENT SUNRIDGE INC. – the Sunridge Project

With respect to the above captioned matter, Hillsboro Ventures Inc. (“**Hillsboro**”) has made certain loans (the “**Loans**”) to Ceana Development Sunridge Inc. (“**Ceana**”) that are secured by a mortgage, which has become due to Hillsboro. The Loans were made in connection with a development undertaken on the lands legally described as follows:

PLAN 9811891  
BLOCK 8  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.398 HECTARES (3.45 ACRES) MORE OR LESS

(the “**Lands**”)

The development on the Lands is with respect to 5 buildings for which construction is set to commence on April 12, 2018 (the “**Sunridge Project**”). Ceana entered into a contractual relationship with the BTY Group in relation to the Sunridge Project. This letter is to confirm that in the event Hillsboro, or someone acting through Hillsboro, acquires the Sunridge Project, Ceana waives any conflict and consents to the BTY Group continuing to work with Hillsboro and consents to provide them with any information they have in relation to the Sunridge Project or the Lands.

Yours truly,

CEANA DEVELOPMENT SUNRIDGE INC.

Bahadur Gaidhar



**SCHEDULE "E"**  
**Letter to Rick Balbi**

*(see attached)*

Ceana Development Sunridge Inc.  
101, 3115 – 12 Street NE  
Calgary, Alberta  
T2E 7J2

April \_\_, 2018

**Delivered by Mail**

Rick Balbi Architects Ltd.  
5917 – 1A Street SW  
Calgary, AB T2H 0G4

To Whom It May Concern:

**Re:** CEANA DEVELOPMENT SUNRIDGE INC. – the Sunridge Project

With respect to the above captioned matter, Hillsboro Ventures Inc. (“**Hillsboro**”) has made certain loans (the “**Loans**”) to Ceana Development Sunridge Inc. (“**Ceana**”) that are secured by a mortgage, which has become due to Hillsboro. The Loans were made in connection with a development undertaken on the lands legally described as follows:

PLAN 9811891  
BLOCK 8  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.398 HECTARES (3.45 ACRES) MORE OR LESS

(the “**Lands**”)

The development on the Lands is with respect to 5 buildings for which construction is set to commence on April 12, 2018 (the “**Sunridge Project**”). Ceana entered into a contractual relationship with Rick Balbi Architects Ltd. in relation to the Sunridge Project. This letter is to confirm that in the event Hillsboro, or someone acting through Hillsboro, acquires the Sunridge Project, Ceana waives any conflict and consents to Rick Balbi Architects Ltd. continuing to work with Hillsboro and consents to provide them with any information they have in relation to the Sunridge Project or the Lands.

Yours truly,

CEANA DEVELOPMENT SUNRIDGE INC.

Bahadur Gaidhar

**SCHEDULE "F"**  
**BUILDING DEVELOPMENT REQUIREMENTS REGARDING THE LANDS**

The Borrower shall ensure that the following items are completed on or before the specified dates:

1. April 12, 2018: steel is delivered on site for Buildings A and B (complete);
2. April 19, 2018: commencement of erecting Building A (complete);
3. May 25, 2018: joists and trusses are delivered on site for Building C;
4. April 30, 2018: commencement of erecting Building B (complete);
5. May 25, 2018: commencement of erecting Building C;
6. June 2, 2018: trusses are delivered on site for Building D;
7. July 6, 2018: windows are installed and HVAC and electrical are signed off by the architect for Buildings A and B;
8. September 10, 2018: trusses are delivered on site for Building E;
9. August 17, 2018: windows are installed and HVAC and electrical are signed off by the architect for Building C;
10. August 24, 2018: windows are installed and HVAC and electrical are signed off by the architect for Building D; and
11. October 26, 2018: windows are installed and HVAC and electrical are signed off by the architect for Building E.

**SCHEDULE "G"**  
**Additional Guarantee**

*(see attached)*

## GUARANTEE

TO: HILLSBORO VENTURES INC.

IN CONSIDERATION of HILLSBORO VENTURES INC. (the "Lender") dealing with CEANA DEVELOPMENT SUNRIDGE INC. (the "Borrower"), the undersigned hereby jointly and severally guarantees payment to the Lender of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Lender from or by the Borrower or by any successor of the Borrower, whether arising from dealings between the Lender and the Borrower or from other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Borrower, wherever incurred and whether incurred by the Borrower as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee shall be unlimited, together with interest thereon at a rate of **18%** per cent per annum, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Lender on the undersigned or any one of them, if more than one.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Borrower shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Borrower amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Lender by the corporation continuing from the amalgamation. The Lender shall not be required to inquire into or confirm the powers of the Borrower or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Lender shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Borrower or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Lender in respect of all debts and liabilities stated to be owing to the Lender by the Borrower under any agreement entered into by the Borrower with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. The undersigned shall indemnify and save the Lender harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Lender by the Borrower under any agreement entered into by the Borrower with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "**Indemnifiable Circumstance**"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Lender by the Borrower which would have been payable by the Borrower but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Lender and the Borrower.

IT IS FURTHER AGREED that the Lender, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Borrower and all other persons (including any other undersigned and any other guarantor) and security, as the Lender may see fit. No loss or diminution of any security received by the Lender from the Borrower or others, whether the loss or diminution is due to the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Lender from the Borrower or from any other person or estate capable of being applied by the Lender in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Lender shall be entitled to prove against the estate of the Borrower upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have



no right to be subrogated to the Lender in respect of any such proof until the Lender has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Lender, including all costs, charges and expenses which the Lender may incur in enforcing or obtaining payment of amounts due to the Lender from the Borrower either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Lender shall not be obliged to seek recourse against the Borrower or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Lender any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Lender. A written statement from any authorized representative of the Lender purporting to show the amount at any particular time due and payable to the Lender, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Lender and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Lender of the death of such undersigned.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Lender from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Borrower to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Lender and postponed to the debts and liabilities of the Borrower to the Lender and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Lender and shall immediately be paid over to the Lender. Any request by the undersigned to the Lender for useful information respecting the content and the terms and conditions of the debts and liabilities of the Borrower hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Lender.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Lender.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Lender under applicable law, that the Lender may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Lender to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Lender may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Lender could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Borrower.

THE UNDERSIGNED acknowledges and agrees that the Lender may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act*, (Alberta) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law.

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English.

**DATED** as of April \_\_\_, 2018.

**CEANA DEVELOPMENT WESTWINDS INC.**

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

**SCHEDULE "H"**  
**New Mortgage**

*(see attached)*

## MORTGAGE IN SUPPORT OF GUARANTEE

WHEREAS, **CEANA DEVELOPMENT WESTWINDS INC.** (hereinafter called the "**Mortgagor**") is the registered owner of an estate in fee simple in possession in all that piece of land described as follows:

**PLAN 9512983**

**BLOCK 3**

**LOT 8**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

WHEREAS in consideration of **HILLSBORO VENTURES INC.**, having an office at 927 – 7A Street N.W., Calgary, AB T2M 3J4, (hereinafter called the "**Mortgagee**") dealing with **CEANA DEVELOPMENT SUNRIDGE INC.**, (hereinafter referred to as the "**Customer**"), the Mortgagor has guaranteed payment to the Mortgagee of certain debts and liabilities of the Customer under a guarantee, dated the \_\_\_\_ day of April, 2018 (as amended, restated, modified, or replaced from time to time, the "**Guarantee**"); and

WHEREAS for the same consideration as aforesaid the Mortgagor has agreed to grant to the Mortgagee this Mortgage as additional and collateral security for the observance and performance of its obligations, covenants and agreement to guarantee as set forth in the said Guarantee; provided this Mortgage shall be limited to the principal sum of **EIGHT MILLION FIVE HUNDRED THOUSAND (\$8,500,000.00) DOLLARS** together with interest thereon at the rate as may be payable from time to time pursuant to the mortgage or mortgages, note or notes or other agreements evidencing the debt with the Customer, or as may be provided for in agreements between the Customer and the Mortgagee, or any and all amendments to, substitutions for, or renewals of the mortgage or mortgages, note or notes, or the said agreements.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH THAT IN CONSIDERATION OF AND PURSUANT TO THE PREMISES, and for other good and valuable consideration, the Mortgagor does hereby mortgage and charge unto the Mortgagee, its successors and assigns, its entire right, title, estate and interest in and to the said lands as additional and collateral security for the observance and performance by the Mortgagor of its obligations, covenants and agreements as the same are set forth in the said Guarantee up to the sum of **EIGHT MILLION FIVE HUNDRED THOUSAND (\$8,500,000.00) DOLLARS**, together with interest thereon at the rate as may be payable from time to time pursuant to the Guarantee, or as may be provided for in the mortgage or mortgages, notes or notes or other agreements between the Customer and the Mortgagee, or any and all amendments to, substitutions for, or renewals of the mortgage or mortgages, note or notes, or the said agreements.

PROVIDED this Mortgage to be void upon the observance and performance by the Mortgagor of its obligations, covenants and agreements as the same are set forth in the said Guarantee and upon payment of all moneys in respect of which the Mortgagor shall be under any liability to pay under the said Guarantee and of all such other sums as the Mortgagee may be entitled to by virtue of these presents, with interest at the aforesaid rate, all of such moneys to become payable by the Mortgagor to the Mortgagee on demand therefore having been made by the Mortgagee.

IT IS AGREED THAT the taking of this security shall not operate as a merger of the remedies of the Mortgagee for payment of the indebtedness of the Customer or of the remedies of the Mortgagee under the said Guarantee, and notwithstanding these presents and anything herein contained the said remedies shall remain intact and be capable of enforcement against the Customer or the Mortgagor, as the case may be, or all other persons liable in respect thereof in the same manner and to the same extent as if these presents had not been executed, and that these presents are and shall be a

continuing security to the Mortgagee for the amount of the said liability under the said Guarantee and interest thereon, and that this Mortgage shall be deemed to be taken as security for the ultimate balance of the said liability under the said Guarantee.

**IT IS AGREED THAT**, notwithstanding any change in the nature or form of the indebtedness or in the bills, notes, guarantees, obligations or securities now or from time to time held by the Mortgagee or representing the same, or any part thereof, or in the names of the parties to the said bills, notes, guarantees, obligations or securities or in the persons comprising any firm or in the name of any firm and notwithstanding the opening of any new account and the closing in the books of the Mortgagee of any other account representing the same, and notwithstanding any variation from time to time made by the Mortgagee in any agreement or arrangement with any person, firm or corporation, liable directly or indirectly for the indebtedness or any part thereof or the granting of extensions of time to or otherwise dealing with any such person, firm or corporation, this Mortgage shall continue as security for the liability, indebtedness and all other sums intended to be secured hereby.

**AND IT IS FURTHER AGREED THAT** any and all payments made in respect of any moneys hereby secured and the moneys or other proceeds realized from any securities held therefor (including this Mortgage) may be applied and re-applied notwithstanding any previous application, on such part or parts of the said liability under the said Guarantee as the Mortgagee may see fit.

**THE MORTGAGOR COVENANTS** with the Mortgagee that he will pay the mortgage money and interest, that the Mortgagor has a good title in fee simple to the said lands, and that he has the right to mortgage and charge the said lands in favour of the Mortgagee, and that on default the Mortgagee shall have quiet possession of the said lands free from all encumbrances; and that the Mortgagor will execute such further assurances of the said lands as may be requisite; and the Mortgagor will insure the buildings on the said lands to the amount of not less than their full insurable value in dollars of lawful money of Canada.

**IT IS AGREED THAT**, notwithstanding the foregoing, evidence of continuation of such insurance having been effected shall be produced to the Mortgagee at least three days before the expiration thereof; otherwise the Mortgagee may provide therefor and charge the premium paid therefor and interest thereon at the rate aforesaid to the Mortgagor and the same shall be payable forthwith and shall also be a charge upon the said lands. It is further agreed that the Mortgagee may require any insurance of the said buildings to be cancelled and a new insurance effected through an agency and with a company to be named by it, and also may of its own accord and without reference to the Mortgagor cancel any existing policy of insurance and may effect or maintain any insurance herein provided for in such companies and through such agencies as it may see fit, and any amount paid by it therefor shall be forthwith payable to it with interest at the rate aforesaid by the Mortgagor and shall be a charge upon the said lands. The Mortgagee shall be named as beneficiary in all insurance contracts effected by the Mortgagor, and the Mortgagor agrees, upon demand, to transfer all policies and insurance effected upon the buildings, erections or fixtures (erected or to be erected) on the said lands with the Mortgagee's mortgage clause attached and the indemnity which may become due therefrom, and the Mortgagee shall have a lien for its mortgage debt on all insurance on the said buildings, erections or fixtures whether effected under any covenant herein or otherwise and all moneys received by virtue of any policy or policies may, at the option of the Mortgagee, either be applied in whole or in part on suspense account or in or towards substantially rebuilding, re-installing and repairing the said lands or in whole or in part in or towards payment of any portion of the liability, indebtedness or other moneys hereby secured, or may be paid over in whole or in part to it the Mortgagor or his assigns, and in such case shall not be credited on the mortgage account.

**THE MORTGAGOR COVENANTS** that he will pay all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on the mortgaged lands as and when they shall fall due and that he will, within one month from the date fixed for the



payment of the last instalment of such taxes, rates and other impositions, in each year furnish the Mortgagee with receipted tax bills showing all such taxes, rates and other impositions for the year paid.

**IT IS HEREBY** declared and agreed that all erections, machinery, plant, buildings and improvements, fixed or otherwise, now or hereafter placed upon the said lands are and shall, immediately on being placed upon the said lands, become fixtures and a part of the said lands and form a part of this security.

**THAT FROM AND AFTER** default shall be made by the Mortgagor in respect of any of his obligations, covenants and agreements as set forth in the said Guarantee then it shall and may be lawful to and for the Mortgagee, its successors and assigns, to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the said lands hereby mortgaged or mentioned or intended so to be with their appurtenances without the let, suit, hindrance, interruption or denial of the Mortgagor, his successors or assigns, or any other person or persons whomsoever.

**THAT FROM AND AFTER** default shall be made by the Mortgagor in respect of any of his obligations, covenants and agreements as set forth in the said Guarantee then the Mortgagor, his successors and assigns and all and every other person or persons whomsoever having or lawfully claiming or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the said lands hereby mortgaged or mentioned or intended so to be with the appurtenances or any part thereof by, from, under or in trust for it the said Mortgagor shall and will from time to time and at all times thereafter at the proper cost and charges of the Mortgagor, his successors and assigns, or any other person or persons whomsoever, and all persons claiming through or under him as aforesaid, make do, suffer and execute or cause or procure to be made, done, suffered and executed all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying the said lands with the appurtenances unto the Mortgagee, its successors and assigns, in such manner or way as its counsel learned in the law shall or may lawfully and reasonably advise or require.

**THAT ON THE DEFAULT** of the Mortgagor in respect of any of his aforesaid covenants and agreements to guarantee, the Mortgagee may, after giving seven clear days notice of its intention (which notice may run concurrent with the notice period required pursuant to the *Land Titles Act* in respect of notices of intention to file a certificate in respect of a power of attorney), lease, sell (by public auction and/or private contract) and convey the said lands without entering into possession of the same, and that when any notice is required to be given under any power herein expressed or implied, or permitted or required under any statute the same may be effectually given by addressing the same to the Mortgagor (or the then registered owner of the said lands) at the address shown on the Certificate of Title and the foregoing shall be sufficient though not addressed to persons by name or designation, and notwithstanding any person or persons to be affected thereby may be unknown, unascertained or under disability and such notice shall be sufficient though not otherwise addressed than "To Whom it May Concern". And that on such default a sale or lease may be made hereunder without notice and that no want of notice or publication when required hereby by any statute or any other impropriety or irregularity shall invalidate any sale made or purporting to be made hereunder, but the Mortgagee alone shall be responsible and the said powers may be exercised by successors and/or assigns of the Mortgagee and against the successors and assigns of the Mortgagor and in the event of a sale on credit or for part cash and part credit the Mortgagee shall not be accountable for or charged with any moneys until actually received and for any such purposes the Mortgagee may make and execute all agreements and assurances as it shall think fit. Nothing herein affects the Mortgagee's right to take foreclosure proceedings in accordance with the provisions of the laws of the Province of Alberta.

**AS FURTHER ASSURANCE** to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the registered owner of the land hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the

Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer, or convey the land in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all rents and sums of money that may become or are now due or owing to the Mortgagor in respect of the land, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the land or on any other person in respect of it, and for the taking and maintaining possession of the Land, and for protecting it from waste, damage, or trespass.

**IN THE EVENT** the mortgaged property becomes a condominium within the *Condominium Property Act*, the Mortgagor further covenants with the Mortgagee that:

- (a) The Mortgagor will comply with, observe and perform all provisions of the *Condominium Property Act*, its regulations and the by-laws, rules and regulations of the Condominium Corporation from time to time in force.
- (b) The Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of the Condominium Corporation in respect of the Unit charged hereunder (hereinafter collectively called "**Assessments**"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default hereunder. Upon default under this paragraph and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may pay the assessments, and any assessments so paid, together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall be added to the monies payable hereunder, and shall bear interest at the rate aforesaid from the date expended until paid and such amounts and interest shall be payable on demand to the Mortgagee and shall be a charge on the land.
- (c) The Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the Condominium Corporation for certification of the amount and manner in which any assessment is payable and the extent to which such Assessment has been paid.
- (d) The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the Condominium Corporation:
  - (i) in all cases in which a Unanimous Resolution is required by the *Condominium Act* of Alberta, as amended, the By-Laws of the Corporation or any Agreement with the Condominium Corporation;
  - (ii) in all other cases other than as referred to in (i) of this clause provided that, if the Mortgagee is not present in person or by proxy, or if present does not wish to vote, then the Mortgagor may exercise his voting right without further authority.
- (e) If for any reason whatsoever the Mortgagor has the right to vote at any meeting of the Condominium Corporation it shall, if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights.
- (f) If requested by the Mortgagee, at least five (5) days prior to each and every general meeting of the Condominium Corporation, the Mortgagor shall deliver to the Mortgagee

written notice of each such meeting specifying the place, date, hour and purpose of the meeting and in addition, immediately upon receipt of the same shall deliver to the Mortgagee true copies of the by-laws, rules and regulations of the Condominium Corporation from time to time in force, all notices, minutes, resolutions, accounts, financial statements and other documents relating to the financial statements and to the affairs of the Condominium Corporation as the Mortgagor may from time to time receive.

- (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, contribution, charge, fine or levy in respect of a unit and paid by it and such distraint shall not result in the Mortgagee being a Mortgagee in possession.
- (h) Subject to the terms hereof, in the event this mortgage is a blanket mortgage against more than one of the condominium units, it may not be discharged in part or in whole during the term of the mortgage. In particular the Mortgagor or its successors may not obtain a discharge of this mortgage against any particular unit by payment of a pro-rata share of the mortgage or by any other means whatsoever.

**THAT 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 specific and unequivocal 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 as aforesaid, 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; and
  - (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 such that they do not leak or interfere with the environment;

- (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.

**“HAZARDOUS SUBSTANCES”** means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (a) radioactive materials;
- (b) explosives;
- (c) 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;
- (d) 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:
  - (i) endangers the health, safety or welfare of persons or the health of animal life;
  - (ii) interferes with normal enjoyment of life or property; or
  - (iii) causes damage to plant life or to property;
- (e) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and
- (f) 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.

The Mortgagor hereby indemnifies and saves harmless the Mortgagee and its successors and assigns from and against any and all losses, liabilities, damages, costs (including without limitation legal costs on a solicitor and his own client basis) 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 secured lands), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of the Mortgage or any collateral security and the full repayment of the Mortgage monies.

**IT IS AGREED BETWEEN** the parties hereto that the Mortgagee may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing or claimed in respect of the mortgaged premises or in respect of the principal money or interest hereby secured and that such payments together with all costs, charges and expenses (as between solicitor and his own client), which may be incurred in taking, recovering and keeping possession of the said lands and of inspecting the same, and of negotiating this mortgage, investigating title and preparing and registering this mortgage and other necessary deeds and generally in any other proceedings taken in connection with or to realize the money hereby secured shall be added to the moneys hereby secured and shall be a charge on the said lands and shall be payable forthwith with interest at the rate aforesaid and in default the money secured by this Mortgage shall immediately become due and payable at the option of the Mortgagee, and all powers hereby conferred shall become exercisable. In the event of the Mortgagee satisfying any such lien, charge or encumbrance it shall be entitled to all the equities and securities of the person or persons so paid off and it is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do.

**PROVIDED THAT** the Mortgagee may at its discretion at all times release any part or parts of the said lands, either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands or any person from this Mortgage or from any of the covenants herein or in the said Guarantee contained and without being accountable to the Mortgagor for the value thereof or for any money except that actually received by the Mortgagee; it being expressly agreed that every part or lot into which the mortgaged lands are or may hereafter be divided does and shall stand charged with the whole money and liability hereby secured; and that the Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Customer, the Mortgagor and all other persons and securities as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Mortgage or the said Guarantee.

**THAT THE MORTGAGOR** covenants with the Mortgagee that he will keep the said lands and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof respectively, and that the Mortgagee may whenever it deems necessary by its agent enter upon and inspect the said lands, and the reasonable cost of such inspection shall be added to the mortgage debt, and that if the Mortgagor neglects to keep the said lands in good condition and repair or commit or permit any act of waste of the said lands (as to which the Mortgagee shall be sole judge) or make default as to any of the covenants or provisos contained herein or in any mortgage to which this Mortgage is subject or upon discovery by the Mortgagee that any covenant is untrue or upon registration of any Builders' Lien against the said lands or upon the Mortgagor allowing any buildings erected upon the said lands to remain unfinished without any work being done thereon for ten days, the principal money hereby secured shall, at the option of the Mortgagee, forthwith become due and payable, and in default of payment of same with interest the powers of entering upon and leasing or selling hereby given it may be exercised forthwith and the Mortgagee may make such repairs as it deems necessary and the cost thereof shall be payable by the Mortgagor forthwith and shall be a charge upon the said lands prior to all claims thereon subsequent to these presents and shall bear interest at the rate aforesaid until paid.

**IT IS FURTHER UNDERSTOOD AND AGREED** that any default by the Customer or by the Mortgagor under any security now or hereafter held or acquired by the Mortgagee to secure the sum or liability hereby secured shall, at the election of the Mortgagee be deemed to be an act of default hereunder and entitle the Mortgagee to exercise all remedies and security hereby conferred or granted in respect of realizing or collecting the full balance of the aforesaid sum secured hereby or any part thereof outstanding, together with all interest and costs then outstanding and all other moneys hereby secured.



**PROVIDED THAT** the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided and further that any such judgment may provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

**NOTWITHSTANDING** any provisions of the *Land Titles Act* or of any other law or statute to a similar effect which is now or may hereafter be in force in the Province of Alberta, the taking by the Mortgagee of an order for foreclosure of the Mortgagor's interest in the said lands or any part thereof shall not operate as full satisfaction of the debt or liability hereby secured, and the Mortgagee may at all times proceed with a view to obtaining payment, through the Courts or otherwise, of the indebtedness guaranteed by the Mortgagor as fully and effectually as if this Mortgage had not been granted.

**AND FOR THE** better securing to the Mortgagee the observance and performance of the covenants and obligations of the Mortgagor to guarantee payment of the indebtedness to the Mortgagee as set forth in the said Guarantee, the Mortgagor does hereby mortgage to the said Mortgagee all of his estate and interest in and to the said lands.

**PROVIDED THAT** all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagee shall be equally secured to and exercisable by its successors and assigns; that all covenants and liabilities entered into or imposed hereunder upon the Mortgagor shall be equally binding upon his successors and assigns; that time shall be of the essence hereof; and that all provisions hereof shall have effect any statute to the contrary notwithstanding.

**THE MORTGAGOR** hereby covenants to perform, and observe and satisfy all the terms, covenants and conditions to be performed and observed by the mortgagors under the terms of any prior mortgages, agreements for sale or other charges (hereinafter called the "prior mortgage") registered against the title to the subject property. It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any prior mortgage, then the Mortgagor shall be deemed to be in default of the terms of this Mortgage and shall be deemed to owe the Mortgagee pursuant to the Guarantee an amount equal to the sum owed by the Customer to the Mortgagee at the time of realization against the charged lands pursuant to any foreclosure action whether by the Mortgagee or the holder of prior mortgage. The Mortgagee may at its option make any payment or cure any default under the prior mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred shall be added to the moneys payable hereunder, shall bear interest at the rate aforesaid from the date expended until paid, shall be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and shall be a charge on the mortgaged lands and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have in the event of default in payment of any other monies payable hereunder. For certainty and notwithstanding any other terms hereof or under the terms of the prior mortgages, the Mortgagor hereby covenants and agrees that any amount repaid or prepaid with respect to such prior mortgages shall not be reborrowed. The Mortgagor hereby covenants and agrees that it shall immediately provide such financial statements and information as the Mortgagee may from time to time reasonably require including, *inter alia*, with respect to the prior mortgages (or any of them).

**IN WITNESS WHEREOF** the Mortgagor has duly executed these presents on this \_\_\_\_\_ of April, 2018.

**CEANA DEVELOPMENT WESTWINDS  
INC.**

Per: \_\_\_\_\_

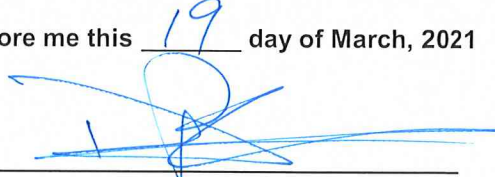
Per: \_\_\_\_\_

THIS IS EXHIBIT "8"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021

A handwritten signature in blue ink, appearing to be 'Derek Pennin', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pennin  
Barrister and Solicitor

## GUARANTEE

TO: HILLSBORO VENTURES INC.

IN CONSIDERATION of HILLSBORO VENTURES INC. (the "Lender") dealing with CEANA DEVELOPMENT SUNRIDGE INC. (the "Borrower"), the undersigned hereby jointly and severally guarantees payment to the Lender of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Lender from or by the Borrower or by any successor of the Borrower, whether arising from dealings between the Lender and the Borrower or from other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Borrower, wherever incurred and whether incurred by the Borrower as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee shall be unlimited, together with interest thereon at a rate of **18%** per cent per annum, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Lender on the undersigned or any one of them, if more than one.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Borrower shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Borrower amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Lender by the corporation continuing from the amalgamation. The Lender shall not be required to inquire into or confirm the powers of the Borrower or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Lender shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Borrower or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Lender in respect of all debts and liabilities stated to be owing to the Lender by the Borrower under any agreement entered into by the Borrower with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. The undersigned shall indemnify and save the Lender harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Lender by the Borrower under any agreement entered into by the Borrower with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "**Indemnifiable Circumstance**"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Lender by the Borrower which would have been payable by the Borrower but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Lender and the Borrower.

IT IS FURTHER AGREED that the Lender, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Borrower and all other persons (including any other undersigned and any other guarantor) and security, as the Lender may see fit. No loss or diminution of any security received by the Lender from the Borrower or others, whether the loss or diminution is due to the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Lender from the Borrower or from any other person or estate capable of being applied by the Lender in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Lender shall be entitled to prove against the estate of the Borrower upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have

no right to be subrogated to the Lender in respect of any such proof until the Lender has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Lender, including all costs, charges and expenses which the Lender may incur in enforcing or obtaining payment of amounts due to the Lender from the Borrower either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Lender shall not be obliged to seek recourse against the Borrower or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Lender any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Lender. A written statement from any authorized representative of the Lender purporting to show the amount at any particular time due and payable to the Lender, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Lender and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Lender of the death of such undersigned.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Lender from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Borrower to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Lender and postponed to the debts and liabilities of the Borrower to the Lender and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Lender and shall immediately be paid over to the Lender. Any request by the undersigned to the Lender for useful information respecting the content and the terms and conditions of the debts and liabilities of the Borrower hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Lender.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Lender.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Lender under applicable law, that the Lender may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Lender to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Lender may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Lender could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Borrower.



THE UNDERSIGNED acknowledges and agrees that the Lender may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act*, (Alberta) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law.


IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English.

**DATED** as of <sup>June</sup>~~April~~ 6, 2018.

**CEANA DEVELOPMENT WESTWINDS INC.**

Per:

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

THIS IS EXHIBIT "9"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a large 'P' and a horizontal line.

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Ponch  
Barrister and Solicitor

## GUARANTEE OF MORTGAGE

WHEREAS CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter called the "Mortgagor" or the "Borrower") has applied to HILLSBORO VENTURES INC. (hereinafter called the "Mortgagee") for a loan of \$1,500,000.00 and has executed and delivered to the Mortgagee a mortgage of the land hereinafter described, dated the 1 day of NOV, 2017 (hereinafter called the "Mortgage") as security for the repayment of the said loan and interest thereon, the said land being described as follows, that is to say:

PLAN 9811891

BLOCK 8

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

AND WHEREAS BAHADUR GAIDHAR (hereinafter called the "Guarantor") has/have jointly and severally agreed to execute these presents in consideration of the advance of \$1,500,000.00 or any part thereof, by the Mortgagee to the Borrower, and in consideration of the sum of ONE DOLLAR (\$1.00), receipt and sufficiency whereof is acknowledged hereby.

NOW THEREFORE the Guarantor jointly and severally covenants and agrees to and with the Mortgagee as follows:

1. The Guarantor unconditionally, absolutely and irrevocably guarantees to the said Mortgagee the due performance and observance of all covenants, conditions, stipulations, indemnities and provisos contained in the Mortgage and any renewals thereof, and the due repayment of the said principal sum, interest, costs and charges at the times and in the manner set out in the Mortgage and any renewals thereof, notwithstanding that the covenant to pay of the Borrower as contained in the Mortgage may become unenforceable according to law.
2. As between the Mortgagee and the Guarantor, the Guarantor is and shall continue to be liable as principal debtor under all the covenants contained in the Mortgage including any modifications, variations, renewals or extensions thereof, notwithstanding any transaction which may take place between the Mortgagee and the Borrower or any neglect or default of the Mortgagee which might otherwise operate as a discharge whether partial or absolute of the Guarantor if it were surety only of the Borrower, and without restricting the generality of the foregoing, notwithstanding the releasing in whole or in part of the properties and assets mortgaged or charged, or of the granting of time or other indulgence to the Borrower. The Mortgagee shall not require the consent of the Guarantor when making the aforesaid modifications, variations, renewals or extensions.
3. The Mortgagee in its absolute discretion or in the absolute discretion of any officer or agent, and without diminishing the liability of the Guarantor may grant time or other indulgence to the Borrower and any other person or persons now or hereafter liable to the Mortgagee in respect of the said principal monies and interest and may give up, modify, vary, exchange, renew or abstain from perfecting or taking any security or the advantage of any security or securities in whole or in part and may discharge any part or parts or accept any composition, or arrangements or realize any security or securities when and in such manner as the Mortgagee or any officer thereof may think expedient and in no case shall the Mortgagee be responsible for any neglect or omission with respect to such security or securities or the taking thereof. The Guarantor renounces all benefits of discussion and division. Any account settled or stated by or between the Mortgagee and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Mortgagee and shall in that case be accepted by the Guarantor as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Mortgagee.

4. The Guarantor will not at any time claim to be subrogated in any manner to the position of the Mortgagee and will not claim the benefit of any security at any time held by the Mortgagee, provided however, that in the event of the Guarantor paying to the Mortgagee all the monies remaining unpaid then such Guarantor shall be entitled on demand made by them in writing to the Mortgagee to be subrogated and to the assignment of such security (excepting in any event any environmental indemnity) remaining in the Mortgagee at the time such notice is received by it.
5. The Mortgagee shall not be bound to exhaust its recourse against the Borrower or other parties or securities it may hold, or any of them before requiring payment of the Guarantor, and the Mortgagee may enforce the various remedies available to it and may realize upon the various securities or any part thereof in such order as the Mortgagee may determine.
6. This Guarantee shall be a continuing guarantee and shall apply to and secure any ultimate balance due and remaining unpaid to the Mortgagee by the Borrower even if, without the consent of the Guarantor, the term and/or amortization period of the Mortgage is extended or reduced in time or if the interest rate is decreased or increased.
7. No suit based on this Guarantee shall be instituted until demand for payment has been made upon the Guarantor. Demand shall be deemed to have been effectually made if and when an envelope containing such demand addressed to the Guarantor at the address of the Guarantor last known to the Mortgagee is delivered to the said address or four clear days after it is mailed postage prepaid in any Government Post Office.
8. If default shall occur under any of the security for the said loan, the Guarantor shall forthwith upon demand being made upon the Guarantor by the Mortgagee pay to the Mortgagee all principal, interest, costs and expenses due by virtue of this Guarantee or any of the security for the said loan.
9. Notwithstanding anything set out in any of the security for the said loan, the Mortgagee will not in any way be responsible for the performance of any covenants therein contained and in particular, but without limitation, will not in any way be responsible for either the holding or the supervision of the insurance policies required to be maintained under the covenants to insure contained in the said security, nor the verification of the compliance with respect to any such covenants to insure and that the Mortgagee's permissive power to place insurance on the assets mortgaged to it contained in the said security is in its sole and absolute discretion. The Guarantor acknowledges that the Mortgagee's action or lack of action in such holding, supervision, verification or in its permissive powers shall in no way diminish liability hereunder.
10. The Mortgagee, without the consent of the Guarantor, may assign in whole or in part the said loan, any of the security for the said loan and/or any security collateral thereto and the benefit of all covenants of the Guarantor as herein contained.
11. The Mortgagee shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf and monies, advances, renewals or credits in fact borrowed or obtained from the Mortgagee in the professed exercise of such powers shall be deemed to form part of the liabilities hereby guaranteed even though the borrowing or obtaining of such monies, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Borrower or of the directors, partners or agents thereof and notwithstanding that the Mortgagee has specific notice of the powers of the Borrower or the directors, partners or agents thereof.
12. This Guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a

partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or enterprise or any part thereof or by the Borrower being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities and obligations whether theretofore or thereafter incurred; and in the case of a change in the membership of a Borrower which is a partnership or in the case of the Borrower being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Borrower" shall include each such resulting partnership and corporation.

13. This Guarantee is binding whether or not any other Guarantors become liable to guarantee any part of the guaranteed obligations and this Guarantee is expressly not conditional upon the execution hereof by any other party and shall be binding upon the single Guarantor who signs notwithstanding non-execution thereof by the others.
14. In the event there is more than one Guarantor, the release of any of the Guarantors from liability shall not affect or diminish the liability of the remaining Guarantor or Guarantors, even if there are separate guarantees.
15. The omission of the Mortgagee to preserve its security or to file or record with any public office the security document or other instrument reserving title in or creating a lien or charge on property given to secure the payment of the aforesaid obligation or any irregularity or omission in the security documents shall not affect, discharge or lessen the liability of the Guarantor hereunder and further it is agreed that in the event the Mortgagee takes any steps to liquidate, protect or realize upon any such security or collateral, the Mortgagee shall not be under any liability to the Guarantor for any negligence on the part of the Mortgagee in so doing.
16. Notwithstanding the Borrower making an assignment for the benefit of creditors or becoming bankrupt or insolvent or taking the benefit of any law now or hereafter in force for bankrupt or insolvent debtors, and notwithstanding the extinguishing of the debt or obligations of the Borrower or the release or discharge of the Borrower pursuant to any applicable law, this Guarantee shall continue to be valid and of full force and effect and shall not be deemed to have been waived, released, discharged, impaired or affected thereby.
17. All debts and liabilities present and future of the Borrower to the Guarantor are hereby postponed to the aforesaid indebtedness of the Borrower to the Mortgagee and all monies received by the Guarantor, its heirs, executors, administrators, successors and assigns in respect thereof after default under the Mortgage shall be received as trustee for the Mortgagee and shall be paid to the Mortgagee upon its request.
18. In respect to any deficiency in the payment of the monies payable under the Mortgage and any renewals together with interest thereon and owing to the Mortgagee by the Borrower upon the Mortgagee exercising its rights under the Mortgage to realize upon the security thereof, the Guarantor further unconditionally guarantees to the Mortgagee the due and timely payment of such deficiency together with interest thereon at the rate provided for in the Mortgage notwithstanding that by operation of the law the covenant to pay in the Mortgage may be unenforceable against the Borrower.
19. In addition to any other amounts due or incurred herein, the Guarantor shall also pay to the Mortgagee all party and party costs, all solicitor and client costs (on a solicitor and his own client basis) and all legal and other expenses incurred by virtue of any demand, default or proceeding taken to realize on this Guarantee or any of the said security.

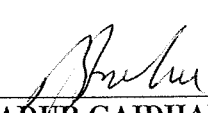


20. This Guarantee shall remain in full force and effect, unless a release in writing has been authorized and issued by the Mortgagee, and shall apply to any and all renewals and extensions of the term of the Mortgage and to any amendment or modification of the Mortgage whether made by the Mortgagor or any subsequent owner of the mortgaged lands, whether or not the Guarantor shall approve of or consent to any such renewal, extension, amendment or modification and whether or not the Guarantor shall have been notified of any such renewal, extension, amendment or modification; and this Guarantee shall apply to the Mortgage terms and conditions as renewed, extended, amended or modified (including without limitation any increase or decrease in the rate of interest payable in respect of the monies secured by the Mortgage) whether or not the Guarantor receives notice of or consents to those terms and conditions.
21. If and whenever the liability of the Guarantor hereunder shall be limited, then and in that event any sale of the assets or any part thereof which are charged by the Mortgage (including any sale of mortgaged lands) shall not act as a reduction of the liability of the Guarantor under this Guarantee or under any judgement obtained by the Mortgagee so long as there are monies due and owing to the Mortgagee after application of any sale proceeds or other monies which have been realized or which are deemed to have been realized by operation of law or otherwise. Accordingly, if the Mortgagee chooses to realize on the Mortgage either prior to or after obtaining a judgment under this Guarantee, the liability of the Guarantor shall always be for the last monies which are due and owing to the Mortgagee.
22. The Guarantor acknowledges the advice of the Mortgagee to obtain independent legal advice in respect of the granting of this Guarantee.
23. This Guarantee shall be construed in accordance with the laws of the Province of Alberta.
24. This Guarantee and Agreement shall extend to and enure to the benefit of the Mortgagee and its successors and assigns and reference herein to the undersigned or to the Guarantor is a reference to and shall be construed as including their heirs, administrators, executors and assigns.
25. Wherever the singular number or the masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context is so required and in any case where this instrument 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 their heirs and executors, administrators, successors and assigns of any party executing this instrument are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained and the covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
26. The Guarantor does hereby irrevocably submit and attorn to the non exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Guarantee; waives all right to object to jurisdiction or execution in any legal action or proceeding relative to this Guarantee which the Guarantor may now or hereafter have by reason of domicile or otherwise; waives any objection to the laying of venue in such courts of any actions, suits or proceedings arising out of or in connection with this Guarantee; waives and agrees not to plead or claim that any action, suit or proceeding in such courts has been brought in an inconvenient forum; and waives any right the Guarantor may have to, or to apply for, trial by jury in conjunction with any matter, action, proceeding, claim or counterclaim arising out of or pursuant to this Guarantee.
27. If as a result of any payment by Guarantor hereunder whether in respect of principal, interest, interest on overdue interest, fees or other payment obligations, the Mortgagee is required to pay tax under Part XIII of the *Income Tax Act* (Canada) or any other legislation, then Guarantor will, upon

demand by the Mortgagee, and whether or not such taxes are correctly or legally asserted, indemnify the Mortgagee for the payment of any such taxes, together with any interest, penalties and expenses in connection therewith. All such amounts shall be payable by Guarantor on demand and shall bear interest at the same rate as the other monies due hereunder calculated from the date incurred by the Mortgagee to the date paid by the Guarantor.

IN WITNESS WHEREOF the Guarantor has executed these presents this 1 day of NOV, 2017.

WITNESS

  
BAHADUR GAIDHAR

**GUARANTEES ACKNOWLEDGMENT ACT**  
(Section 3)

**CERTIFICATE**

I HEREBY CERTIFY THAT:

- 1 **BAHADUR GAIDHAR**, the guarantor in the guarantee dated the 1 day of NOV, 2017 made between **HILLSBORO VENTURES INC.** and **BAHADUR GAIDHAR** which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

KHALIL HAJI  
*Barrister and Solicitor*

CERTIFIED by \_\_\_\_\_ (print name), Lawyer at the City of Calgary,  
in the Province of Alberta, this 1 day of NOV, 2017.

\_\_\_\_\_  
SIGNATURE of Lawyer

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
**BAHADUR GAIDHAR**  
Signature of Guarantor

**LAWYER CERTIFICATION**

KHALIL HAJI  
*Barrister and Solicitor*

I, \_\_\_\_\_ the aforesaid Lawyer certify that:  
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:
  - (i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended;
  - (ii) ~~made in a jurisdiction other than Alberta, and I am a lawyer entitled to practice law in that jurisdiction.~~

Dated the 1 day of NOV, 2017.

\_\_\_\_\_  
Signature of Lawyer

## GUARANTEE OF MORTGAGE

WHEREAS CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter called the "Mortgagor" or the "Borrower") has applied to HILLSBORO VENTURES INC. (hereinafter called the "Mortgagee") for a loan of **\$1,500,000.00** and has executed and delivered to the Mortgagee a mortgage of the land hereinafter described, dated the 1 day of Nov, 2017 (hereinafter called the "Mortgage") as security for the repayment of the said loan and interest thereon, the said land being described as follows, that is to say:

**PLAN 9811891**

**BLOCK 8**

**LOT 1**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

AND WHEREAS YASMIN GAIDHAR (hereinafter called the "Guarantor") has/have jointly and severally agreed to execute these presents in consideration of the advance of **\$1,500,000.00** or any part thereof, by the Mortgagee to the Borrower, and in consideration of the sum of ONE DOLLAR (\$1.00), receipt and sufficiency whereof is acknowledged hereby.

NOW THEREFORE the Guarantor jointly and severally covenants and agrees to and with the Mortgagee as follows:

1. The Guarantor unconditionally, absolutely and irrevocably guarantees to the said Mortgagee the due performance and observance of all covenants, conditions, stipulations, indemnities and provisos contained in the Mortgage and any renewals thereof, and the due repayment of the said principal sum, interest, costs and charges at the times and in the manner set out in the Mortgage and any renewals thereof, notwithstanding that the covenant to pay of the Borrower as contained in the Mortgage may become unenforceable according to law.
2. As between the Mortgagee and the Guarantor, the Guarantor is and shall continue to be liable as principal debtor under all the covenants contained in the Mortgage including any modifications, variations, renewals or extensions thereof, notwithstanding any transaction which may take place between the Mortgagee and the Borrower or any neglect or default of the Mortgagee which might otherwise operate as a discharge whether partial or absolute of the Guarantor if it were surety only of the Borrower, and without restricting the generality of the foregoing, notwithstanding the releasing in whole or in part of the properties and assets mortgaged or charged, or of the granting of time or other indulgence to the Borrower. The Mortgagee shall not require the consent of the Guarantor when making the aforesaid modifications, variations, renewals or extensions.
3. The Mortgagee in its absolute discretion or in the absolute discretion of any officer or agent, and without diminishing the liability of the Guarantor may grant time or other indulgence to the Borrower and any other person or persons now or hereafter liable to the Mortgagee in respect of the said principal monies and interest and may give up, modify, vary, exchange, renew or abstain from perfecting or taking any security or the advantage of any security or securities in whole or in part and may discharge any part or parts or accept any composition, or arrangements or realize any security or securities when and in such manner as the Mortgagee or any officer thereof may think expedient and in no case shall the Mortgagee be responsible for any neglect or omission with respect to such security or securities or the taking thereof. The Guarantor renounces all benefits of discussion and division. Any account settled or stated by or between the Mortgagee and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Mortgagee and shall in that case be accepted by the Guarantor as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Mortgagee.

4. The Guarantor will not at any time claim to be subrogated in any manner to the position of the Mortgagee and will not claim the benefit of any security at any time held by the Mortgagee, provided however, that in the event of the Guarantor paying to the Mortgagee all the monies remaining unpaid then such Guarantor shall be entitled on demand made by them in writing to the Mortgagee to be subrogated and to the assignment of such security (excepting in any event any environmental indemnity) remaining in the Mortgagee at the time such notice is received by it.
5. The Mortgagee shall not be bound to exhaust its recourse against the Borrower or other parties or securities it may hold, or any of them before requiring payment of the Guarantor, and the Mortgagee may enforce the various remedies available to it and may realize upon the various securities or any part thereof in such order as the Mortgagee may determine.
6. This Guarantee shall be a continuing guarantee and shall apply to and secure any ultimate balance due and remaining unpaid to the Mortgagee by the Borrower even if, without the consent of the Guarantor, the term and/or amortization period of the Mortgage is extended or reduced in time or if the interest rate is decreased or increased.
7. No suit based on this Guarantee shall be instituted until demand for payment has been made upon the Guarantor. Demand shall be deemed to have been effectually made if and when an envelope containing such demand addressed to the Guarantor at the address of the Guarantor last known to the Mortgagee is delivered to the said address or four clear days after it is mailed postage prepaid in any Government Post Office.
8. If default shall occur under any of the security for the said loan, the Guarantor shall forthwith upon demand being made upon the Guarantor by the Mortgagee pay to the Mortgagee all principal, interest, costs and expenses due by virtue of this Guarantee or any of the security for the said loan.
9. Notwithstanding anything set out in any of the security for the said loan, the Mortgagee will not in any way be responsible for the performance of any covenants therein contained and in particular, but without limitation, will not in any way be responsible for either the holding or the supervision of the insurance policies required to be maintained under the covenants to insure contained in the said security, nor the verification of the compliance with respect to any such covenants to insure and that the Mortgagee's permissive power to place insurance on the assets mortgaged to it contained in the said security is in its sole and absolute discretion. The Guarantor acknowledges that the Mortgagee's action or lack of action in such holding, supervision, verification or in its permissive powers shall in no way diminish liability hereunder.
10. The Mortgagee, without the consent of the Guarantor, may assign in whole or in part the said loan, any of the security for the said loan and/or any security collateral thereto and the benefit of all covenants of the Guarantor as herein contained.
11. The Mortgagee shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf and monies, advances, renewals or credits in fact borrowed or obtained from the Mortgagee in the professed exercise of such powers shall be deemed to form part of the liabilities hereby guaranteed even though the borrowing or obtaining of such monies, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Borrower or of the directors, partners or agents thereof and notwithstanding that the Mortgagee has specific notice of the powers of the Borrower or the directors, partners or agents thereof.
12. This Guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a



partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or enterprise or any part thereof or by the Borrower being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities and obligations whether theretofore or thereafter incurred; and in the case of a change in the membership of a Borrower which is a partnership or in the case of the Borrower being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Borrower" shall include each such resulting partnership and corporation.

13. This Guarantee is binding whether or not any other Guarantors become liable to guarantee any part of the guaranteed obligations and this Guarantee is expressly not conditional upon the execution hereof by any other party and shall be binding upon the single Guarantor who signs notwithstanding non-execution thereof by the others.
14. In the event there is more than one Guarantor, the release of any of the Guarantors from liability shall not affect or diminish the liability of the remaining Guarantor or Guarantors, even if there are separate guarantees.
15. The omission of the Mortgagee to preserve its security or to file or record with any public office the security document or other instrument reserving title in or creating a lien or charge on property given to secure the payment of the aforesaid obligation or any irregularity or omission in the security documents shall not affect, discharge or lessen the liability of the Guarantor hereunder and further it is agreed that in the event the Mortgagee takes any steps to liquidate, protect or realize upon any such security or collateral, the Mortgagee shall not be under any liability to the Guarantor for any negligence on the part of the Mortgagee in so doing.
16. Notwithstanding the Borrower making an assignment for the benefit of creditors or becoming bankrupt or insolvent or taking the benefit of any law now or hereafter in force for bankrupt or insolvent debtors, and notwithstanding the extinguishing of the debt or obligations of the Borrower or the release or discharge of the Borrower pursuant to any applicable law, this Guarantee shall continue to be valid and of full force and effect and shall not be deemed to have been waived, released, discharged, impaired or affected thereby.
17. All debts and liabilities present and future of the Borrower to the Guarantor are hereby postponed to the aforesaid indebtedness of the Borrower to the Mortgagee and all monies received by the Guarantor, its heirs, executors, administrators, successors and assigns in respect thereof after default under the Mortgage shall be received as trustee for the Mortgagee and shall be paid to the Mortgagee upon its request.
18. In respect to any deficiency in the payment of the monies payable under the Mortgage and any renewals together with interest thereon and owing to the Mortgagee by the Borrower upon the Mortgagee exercising its rights under the Mortgage to realize upon the security thereof, the Guarantor further unconditionally guarantees to the Mortgagee the due and timely payment of such deficiency together with interest thereon at the rate provided for in the Mortgage notwithstanding that by operation of the law the covenant to pay in the Mortgage may be unenforceable against the Borrower.
19. In addition to any other amounts due or incurred herein, the Guarantor shall also pay to the Mortgagee all party and party costs, all solicitor and client costs (on a solicitor and his own client basis) and all legal and other expenses incurred by virtue of any demand, default or proceeding taken to realize on this Guarantee or any of the said security.



demand by the Mortgagee, and whether or not such taxes are correctly or legally asserted, indemnify the Mortgagee for the payment of any such taxes, together with any interest, penalties and expenses in connection therewith. All such amounts shall be payable by Guarantor on demand and shall bear interest at the same rate as the other monies due hereunder calculated from the date incurred by the Mortgagee to the date paid by the Guarantor.

IN WITNESS WHEREOF the Guarantor has executed these presents this 1 day of Nov, 2017.

WITNESS



**KATHERINE PINTYE**

*Barrister and Solicitor*  
Commissioner For Oaths, Notary Public  
in and for the Province of Alberta  
120, 3636 - 23 Street N.E.  
CALGARY, AB T2E 8Z5  
PH: 403-291-2532

  
**YASMIN GAIDHAR**

**GUARANTEES ACKNOWLEDGMENT ACT**  
(Section 3)

**CERTIFICATE**

I HEREBY CERTIFY THAT:

- 1 **YASMIN GAIDHAR**, the guarantor in the guarantee dated the 1 day of Nov, 2017 made between **HILLSBORO VENTURES INC.** and **YASMIN GAIDHAR** which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Katherine Pintye (print name), Lawyer at the City of Calgary, in the Province of Alberta, this 1 day of Nov, 2017.

SIGNATURE of Lawyer

**KATHERINE PINTYE**

*Barrister and Solicitor*  
Commissioner For Oaths, Notary Public  
in and for the Province of Alberta  
120, 3636 - 23 Street N.E.  
CALGARY, AB T2E 8Z5  
PH: 403-291-2532

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

YASMIN GAIDHAR

Signature of Guarantor

**LAWYER CERTIFICATION**

I, Katherine Pintye the aforesaid Lawyer certify that:  
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:

(i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended; KP - 1/11/17  
or

~~(ii) made in a jurisdiction other than Alberta, and I am a lawyer entitled to practice law in that jurisdiction. KP 1/11/17~~

Dated the 1 day of Nov, 2017.

Signature of Lawyer

**KATHERINE PINTYE**

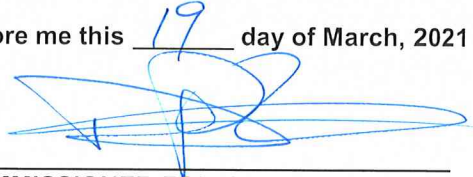
*Barrister and Solicitor*  
Commissioner For Oaths, Notary Public  
in and for the Province of Alberta  
120, 3636 - 23 Street N.E.  
CALGARY, AB T2E 8Z5  
PH: 403-291-2532

THIS IS EXHIBIT "10"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021

A handwritten signature in blue ink, appearing to read "Donk Demin", is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Donk Demin  
Barrister and Solicitor



## GUARANTEE OF MORTGAGE

WHEREAS CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter called the "Mortgagor" or the "Borrower") has applied to HILLSBORO VENTURES INC. (hereinafter called the "Mortgagee") for a loan of \$2,000,000.00 and has executed and delivered to the Mortgagee a mortgage of the land hereinafter described, dated the 28 day of July, 2017 (hereinafter called the "Mortgage") as security for the repayment of the said loan and interest thereon, the said land being described as follows, that is to say:

**PLAN 9811891**

**BLOCK 8**

**LOT 1**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

AND WHEREAS BAHADUR GAIDHAR (hereinafter called the "Guarantor") has/have jointly and severally agreed to execute these presents in consideration of the advance of \$2,000,000.00 or any part thereof, by the Mortgagee to the Borrower, and in consideration of the sum of ONE DOLLAR (\$1.00), receipt and sufficiency whereof is acknowledged hereby.

NOW THEREFORE the Guarantor jointly and severally covenants and agrees to and with the Mortgagee as follows:

1. The Guarantor unconditionally, absolutely and irrevocably guarantees to the said Mortgagee the due performance and observance of all covenants, conditions, stipulations, indemnities and provisos contained in the Mortgage and any renewals thereof, and the due repayment of the said principal sum, interest, costs and charges at the times and in the manner set out in the Mortgage and any renewals thereof, notwithstanding that the covenant to pay of the Borrower as contained in the Mortgage may become unenforceable according to law.
2. As between the Mortgagee and the Guarantor, the Guarantor is and shall continue to be liable as principal debtor under all the covenants contained in the Mortgage including any modifications, variations, renewals or extensions thereof, notwithstanding any transaction which may take place between the Mortgagee and the Borrower or any neglect or default of the Mortgagee which might otherwise operate as a discharge whether partial or absolute of the Guarantor if it were surety only of the Borrower, and without restricting the generality of the foregoing, notwithstanding the releasing in whole or in part of the properties and assets mortgaged or charged, or of the granting of time or other indulgence to the Borrower. The Mortgagee shall not require the consent of the Guarantor when making the aforesaid modifications, variations, renewals or extensions.
3. The Mortgagee in its absolute discretion or in the absolute discretion of any officer or agent, and without diminishing the liability of the Guarantor may grant time or other indulgence to the Borrower and any other person or persons now or hereafter liable to the Mortgagee in respect of the said principal monies and interest and may give up, modify, vary, exchange, renew or abstain from perfecting or taking any security or the advantage of any security or securities in whole or in part and may discharge any part or parts or accept any composition, or arrangements or realize any security or securities when and in such manner as the Mortgagee or any officer thereof may think expedient and in no case shall the Mortgagee be responsible for any neglect or omission with respect to such security or securities or the taking thereof. The Guarantor renounces all benefits of discussion and division. Any account settled or stated by or between the Mortgagee and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Mortgagee and shall in that case be accepted by the Guarantor as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Mortgagee.

4. The Guarantor will not at any time claim to be subrogated in any manner to the position of the Mortgagee and will not claim the benefit of any security at any time held by the Mortgagee, provided however, that in the event of the Guarantor paying to the Mortgagee all the monies remaining unpaid then such Guarantor shall be entitled on demand made by them in writing to the Mortgagee to be subrogated and to the assignment of such security (excepting in any event any environmental indemnity) remaining in the Mortgagee at the time such notice is received by it.
5. The Mortgagee shall not be bound to exhaust its recourse against the Borrower or other parties or securities it may hold, or any of them before requiring payment of the Guarantor, and the Mortgagee may enforce the various remedies available to it and may realize upon the various securities or any part thereof in such order as the Mortgagee may determine.
6. This Guarantee shall be a continuing guarantee and shall apply to and secure any ultimate balance due and remaining unpaid to the Mortgagee by the Borrower even if, without the consent of the Guarantor, the term and/or amortization period of the Mortgage is extended or reduced in time or if the interest rate is decreased or increased.
7. No suit based on this Guarantee shall be instituted until demand for payment has been made upon the Guarantor. Demand shall be deemed to have been effectually made if and when an envelope containing such demand addressed to the Guarantor at the address of the Guarantor last known to the Mortgagee is delivered to the said address or four clear days after it is mailed postage prepaid in any Government Post Office.
8. If default shall occur under any of the security for the said loan, the Guarantor shall forthwith upon demand being made upon the Guarantor by the Mortgagee pay to the Mortgagee all principal, interest, costs and expenses due by virtue of this Guarantee or any of the security for the said loan.
9. Notwithstanding anything set out in any of the security for the said loan, the Mortgagee will not in any way be responsible for the performance of any covenants therein contained and in particular, but without limitation, will not in any way be responsible for either the holding or the supervision of the insurance policies required to be maintained under the covenants to insure contained in the said security, nor the verification of the compliance with respect to any such covenants to insure and that the Mortgagee's permissive power to place insurance on the assets mortgaged to it contained in the said security is in its sole and absolute discretion. The Guarantor acknowledges that the Mortgagee's action or lack of action in such holding, supervision, verification or in its permissive powers shall in no way diminish liability hereunder.
10. The Mortgagee, without the consent of the Guarantor, may assign in whole or in part the said loan, any of the security for the said loan and/or any security collateral thereto and the benefit of all covenants of the Guarantor as herein contained.
11. The Mortgagee shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf and monies, advances, renewals or credits in fact borrowed or obtained from the Mortgagee in the professed exercise of such powers shall be deemed to form part of the liabilities hereby guaranteed even though the borrowing or obtaining of such monies, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Borrower or of the directors, partners or agents thereof and notwithstanding that the Mortgagee has specific notice of the powers of the Borrower or the directors, partners or agents thereof.
12. This Guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a

partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or enterprise or any part thereof or by the Borrower being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities and obligations whether theretofore or thereafter incurred; and in the case of a change in the membership of a Borrower which is a partnership or in the case of the Borrower being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Borrower" shall include each such resulting partnership and corporation.

13. This Guarantee is binding whether or not any other Guarantors become liable to guarantee any part of the guaranteed obligations and this Guarantee is expressly not conditional upon the execution hereof by any other party and shall be binding upon the single Guarantor who signs notwithstanding non-execution thereof by the others.
14. In the event there is more than one Guarantor, the release of any of the Guarantors from liability shall not affect or diminish the liability of the remaining Guarantor or Guarantors, even if there are separate guarantees.
15. The omission of the Mortgagee to preserve its security or to file or record with any public office the security document or other instrument reserving title in or creating a lien or charge on property given to secure the payment of the aforesaid obligation or any irregularity or omission in the security documents shall not affect, discharge or lessen the liability of the Guarantor hereunder and further it is agreed that in the event the Mortgagee takes any steps to liquidate, protect or realize upon any such security or collateral, the Mortgagee shall not be under any liability to the Guarantor for any negligence on the part of the Mortgagee in so doing.
16. Notwithstanding the Borrower making an assignment for the benefit of creditors or becoming bankrupt or insolvent or taking the benefit of any law now or hereafter in force for bankrupt or insolvent debtors, and notwithstanding the extinguishing of the debt or obligations of the Borrower or the release or discharge of the Borrower pursuant to any applicable law, this Guarantee shall continue to be valid and of full force and effect and shall not be deemed to have been waived, released, discharged, impaired or affected thereby.
17. All debts and liabilities present and future of the Borrower to the Guarantor are hereby postponed to the aforesaid indebtedness of the Borrower to the Mortgagee and all monies received by the Guarantor, its heirs, executors, administrators, successors and assigns in respect thereof after default under the Mortgage shall be received as trustee for the Mortgagee and shall be paid to the Mortgagee upon its request.
18. In respect to any deficiency in the payment of the monies payable under the Mortgage and any renewals together with interest thereon and owing to the Mortgagee by the Borrower upon the Mortgage exercising its rights under the Mortgage to realize upon the security thereof, the Guarantor further unconditionally guarantees to the Mortgagee the due and timely payment of such deficiency together with interest thereon at the rate provided for in the Mortgage notwithstanding that by operation of the law the covenant to pay in the Mortgage may be unenforceable against the Borrower.
19. In addition to any other amounts due or incurred herein, the Guarantor shall also pay to the Mortgagee all party and party costs, all solicitor and client costs (on a solicitor and his own client basis) and all legal and other expenses incurred by virtue of any demand, default or proceeding taken to realize on this Guarantee or any of the said security.

20. This Guarantee shall remain in full force and effect, unless a release in writing has been authorized and issued by the Mortgagee, and shall apply to any and all renewals and extensions of the term of the Mortgage and to any amendment or modification of the Mortgage whether made by the Mortgagor or any subsequent owner of the mortgaged lands, whether or not the Guarantor shall approve of or consent to any such renewal, extension, amendment or modification and whether or not the Guarantor shall have been notified of any such renewal, extension, amendment or modification; and this Guarantee shall apply to the Mortgage terms and conditions as renewed, extended, amended or modified (including without limitation any increase or decrease in the rate of interest payable in respect of the monies secured by the Mortgage) whether or not the Guarantor receives notice of or consents to those terms and conditions.
21. If and whenever the liability of the Guarantor hereunder shall be limited, then and in that event any sale of the assets or any part thereof which are charged by the Mortgage (including any sale of mortgaged lands) shall not act as a reduction of the liability of the Guarantor under this Guarantee or under any judgement obtained by the Mortgagee so long as there are monies due and owing to the Mortgagee after application of any sale proceeds or other monies which have been realized or which are deemed to have been realized by operation of law or otherwise. Accordingly, if the Mortgagee chooses to realize on the Mortgage either prior to or after obtaining a judgment under this Guarantee, the liability of the Guarantor shall always be for the last monies which are due and owing to the Mortgagee.
22. The Guarantor acknowledges the advice of the Mortgagee to obtain independent legal advice in respect of the granting of this Guarantee.
23. This Guarantee shall be construed in accordance with the laws of the Province of Alberta.
24. This Guarantee and Agreement shall extend to and enure to the benefit of the Mortgagee and its successors and assigns and reference herein to the undersigned or to the Guarantor is a reference to and shall be construed as including their heirs, administrators, executors and assigns.
25. Wherever the singular number or the masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context is so required and in any case where this instrument 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 their heirs and executors, administrators, successors and assigns of any party executing this instrument are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained and the covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
26. The Guarantor does hereby irrevocably submit and attorn to the non exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Guarantee; waives all right to object to jurisdiction or execution in any legal action or proceeding relative to this Guarantee which the Guarantor may now or hereafter have by reason of domicile or otherwise; waives any objection to the laying of venue in such courts of any actions, suits or proceedings arising out of or in connection with this Guarantee; waives and agrees not to plead or claim that any action, suit or proceeding in such courts has been brought in an inconvenient forum; and waives any right the Guarantor may have to, or to apply for, trial by jury in conjunction with any matter, action, proceeding, claim or counterclaim arising out of or pursuant to this Guarantee.
27. If as a result of any payment by Guarantor hereunder whether in respect of principal, interest, interest on overdue interest, fees or other payment obligations, the Mortgagee is required to pay tax under Part XIII of the *Income Tax Act* (Canada) or any other legislation, then Guarantor will, upon

demand by the Mortgagee, and whether or not such taxes are correctly or legally asserted, indemnify the Mortgagee for the payment of any such taxes, together with any interest, penalties and expenses in connection therewith. All such amounts shall be payable by Guarantor on demand and shall bear interest at the same rate as the other monies due hereunder calculated from the date incurred by the Mortgagee to the date paid by the Guarantor.

IN WITNESS WHEREOF the Guarantor has executed these presents this 28 day of July, 2017.

WITNESS

  
BAHADUR GAIDHAR



**GUARANTEES ACKNOWLEDGMENT ACT**  
**(Section 3)**

**CERTIFICATE**

I HEREBY CERTIFY THAT:

- 1 **BAHADUR GAIDHAR**, the guarantor in the guarantee dated the 28 day of July, 2017 made between **HILLSBORO VENTURES INC.** and **BAHADUR GAIDHAR** which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

KHALIL HAJI  
*Barrister and Solicitor*

CERTIFIED by \_\_\_\_\_ (print name), Lawyer at the City of Calgary,  
in the Province of Alberta, this 28 day of July, 2017.

\_\_\_\_\_  
SIGNATURE of Lawyer

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
**BAHADUR GAIDHAR**  
Signature of Guarantor

KHALIL HAJI  
*Barrister and Solicitor*

**LAWYER CERTIFICATION**

I, \_\_\_\_\_ the aforesaid Lawyer certify that:  
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:
  - (i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended;
  - or
  - (ii) made in a jurisdiction other than Alberta, and I am a lawyer entitled to practice law in that jurisdiction.

Dated the 28 day of July, 2017.

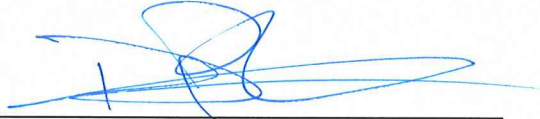
\_\_\_\_\_  
Signature of Lawyer

THIS IS EXHIBIT "11"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021

A handwritten signature in blue ink, appearing to be 'Derek Pontin', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

## GUARANTEE OF MORTGAGE

WHEREAS CEANA DEVELOPMENT SUNRIDGE INC. (hereinafter called the "Mortgagor" or the "Borrower") has applied to HILLSBORO VENTURES INC. (hereinafter called the "Mortgagee") for a loan of \$3,000,000.00 and has executed and delivered to the Mortgagee a mortgage of the land hereinafter described, dated the 6 day of January, 2017 (hereinafter called the "Mortgage") as security for the repayment of the said loan and interest thereon, the said land being described as follows, that is to say:

**PLAN 9811891**

**BLOCK 8**

**LOT 1**

**EXCEPTING THEREOUT ALL MINES AND MINERALS**

AND WHEREAS BAHADUR GAIDHAR (hereinafter called the "Guarantor") has/have jointly and severally agreed to execute these presents in consideration of the advance of \$3,000,000.00 or any part thereof, by the Mortgagee to the Borrower, and in consideration of the sum of ONE DOLLAR (\$1.00), receipt and sufficiency whereof is acknowledged hereby.

NOW THEREFORE the Guarantor jointly and severally covenants and agrees to and with the Mortgagee as follows:

1. The Guarantor unconditionally, absolutely and irrevocably guarantees to the said Mortgagee the due performance and observance of all covenants, conditions, stipulations, indemnities and provisos contained in the Mortgage and any renewals thereof, and the due repayment of the said principal sum, interest, costs and charges at the times and in the manner set out in the Mortgage and any renewals thereof, notwithstanding that the covenant to pay of the Borrower as contained in the Mortgage may become unenforceable according to law.
2. As between the Mortgagee and the Guarantor, the Guarantor is and shall continue to be liable as principal debtor under all the covenants contained in the Mortgage including any modifications, variations, renewals or extensions thereof, notwithstanding any transaction which may take place between the Mortgagee and the Borrower or any neglect or default of the Mortgagee which might otherwise operate as a discharge whether partial or absolute of the Guarantor if it were surety only of the Borrower, and without restricting the generality of the foregoing, notwithstanding the releasing in whole or in part of the properties and assets mortgaged or charged, or of the granting of time or other indulgence to the Borrower. The Mortgagee shall not require the consent of the Guarantor when making the aforesaid modifications, variations, renewals or extensions.
3. The Mortgagee in its absolute discretion or in the absolute discretion of any officer or agent, and without diminishing the liability of the Guarantor may grant time or other indulgence to the Borrower and any other person or persons now or hereafter liable to the Mortgagee in respect of the said principal monies and interest and may give up, modify, vary, exchange, renew or abstain from perfecting or taking any security or the advantage of any security or securities in whole or in part and may discharge any part or parts or accept any composition, or arrangements or realize any security or securities when and in such manner as the Mortgagee or any officer thereof may think expedient and in no case shall the Mortgagee be responsible for any neglect or omission with respect to such security or securities or the taking thereof. The Guarantor renounces all benefits of discussion and division. Any account settled or stated by or between the Mortgagee and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Mortgagee and shall in that case be accepted by the Guarantor as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Mortgagee.

4. The Guarantor will not at any time claim to be subrogated in any manner to the position of the Mortgagee and will not claim the benefit of any security at any time held by the Mortgagee, provided however, that in the event of the Guarantor paying to the Mortgagee all the monies remaining unpaid then such Guarantor shall be entitled on demand made by them in writing to the Mortgagee to be subrogated and to the assignment of such security (excepting in any event any environmental indemnity) remaining in the Mortgagee at the time such notice is received by it.
5. The Mortgagee shall not be bound to exhaust its recourse against the Borrower or other parties or securities it may hold, or any of them before requiring payment of the Guarantor, and the Mortgagee may enforce the various remedies available to it and may realize upon the various securities or any part thereof in such order as the Mortgagee may determine.
6. This Guarantee shall be a continuing guarantee and shall apply to and secure any ultimate balance due and remaining unpaid to the Mortgagee by the Borrower even if, without the consent of the Guarantor, the term and/or amortization period of the Mortgage is extended or reduced in time or if the interest rate is decreased or increased.
7. No suit based on this Guarantee shall be instituted until demand for payment has been made upon the Guarantor. Demand shall be deemed to have been effectually made if and when an envelope containing such demand addressed to the Guarantor at the address of the Guarantor last known to the Mortgagee is delivered to the said address or four clear days after it is mailed postage prepaid in any Government Post Office.
8. If default shall occur under any of the security for the said loan, the Guarantor shall forthwith upon demand being made upon the Guarantor by the Mortgagee pay to the Mortgagee all principal, interest, costs and expenses due by virtue of this Guarantee or any of the security for the said loan.
9. Notwithstanding anything set out in any of the security for the said loan, the Mortgagee will not in any way be responsible for the performance of any covenants therein contained and in particular, but without limitation, will not in any way be responsible for either the holding or the supervision of the insurance policies required to be maintained under the covenants to insure contained in the said security, nor the verification of the compliance with respect to any such covenants to insure and that the Mortgagee's permissive power to place insurance on the assets mortgaged to it contained in the said security is in its sole and absolute discretion. The Guarantor acknowledges that the Mortgagee's action or lack of action in such holding, supervision, verification or in its permissive powers shall in no way diminish liability hereunder.
10. The Mortgagee, without the consent of the Guarantor, may assign in whole or in part the said loan, any of the security for the said loan and/or any security collateral thereto and the benefit of all covenants of the Guarantor as herein contained.
11. The Mortgagee shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf and monies, advances, renewals or credits in fact borrowed or obtained from the Mortgagee in the professed exercise of such powers shall be deemed to form part of the liabilities hereby guaranteed even though the borrowing or obtaining of such monies, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Borrower or of the directors, partners or agents thereof and notwithstanding that the Mortgagee has specific notice of the powers of the Borrower or the directors, partners or agents thereof.
12. This Guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a

partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or enterprise or any part thereof or by the Borrower being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities and obligations whether theretofore or thereafter incurred; and in the case of a change in the membership of a Borrower which is a partnership or in the case of the Borrower being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Borrower" shall include each such resulting partnership and corporation.

13. This Guarantee is binding whether or not any other Guarantors become liable to guarantee any part of the guaranteed obligations and this Guarantee is expressly not conditional upon the execution hereof by any other party and shall be binding upon the single Guarantor who signs notwithstanding non-execution thereof by the others.
14. In the event there is more than one Guarantor, the release of any of the Guarantors from liability shall not affect or diminish the liability of the remaining Guarantor or Guarantors, even if there are separate guarantees.
15. The omission of the Mortgagee to preserve its security or to file or record with any public office the security document or other instrument reserving title in or creating a lien or charge on property given to secure the payment of the aforesaid obligation or any irregularity or omission in the security documents shall not affect, discharge or lessen the liability of the Guarantor hereunder and further it is agreed that in the event the Mortgagee takes any steps to liquidate, protect or realize upon any such security or collateral, the Mortgagee shall not be under any liability to the Guarantor for any negligence on the part of the Mortgagee in so doing.
16. Notwithstanding the Borrower making an assignment for the benefit of creditors or becoming bankrupt or insolvent or taking the benefit of any law now or hereafter in force for bankrupt or insolvent debtors, and notwithstanding the extinguishing of the debt or obligations of the Borrower or the release or discharge of the Borrower pursuant to any applicable law, this Guarantee shall continue to be valid and of full force and effect and shall not be deemed to have been waived, released, discharged, impaired or affected thereby.
17. All debts and liabilities present and future of the Borrower to the Guarantor are hereby postponed to the aforesaid indebtedness of the Borrower to the Mortgagee and all monies received by the Guarantor, its heirs, executors, administrators, successors and assigns in respect thereof after default under the Mortgage shall be received as trustee for the Mortgagee and shall be paid to the Mortgagee upon its request.
18. In respect to any deficiency in the payment of the monies payable under the Mortgage and any renewals together with interest thereon and owing to the Mortgagee by the Borrower upon the Mortgagee exercising its rights under the Mortgage to realize upon the security thereof, the Guarantor further unconditionally guarantees to the Mortgagee the due and timely payment of such deficiency together with interest thereon at the rate provided for in the Mortgage notwithstanding that by operation of the law the covenant to pay in the Mortgage may be unenforceable against the Borrower.
19. In addition to any other amounts due or incurred herein, the Guarantor shall also pay to the Mortgagee all party and party costs, all solicitor and client costs (on a solicitor and his own client basis) and all legal and other expenses incurred by virtue of any demand, default or proceeding taken to realize on this Guarantee or any of the said security.

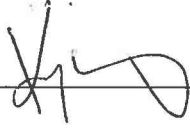
20. This Guarantee shall remain in full force and effect, unless a release in writing has been authorized and issued by the Mortgagee, and shall apply to any and all renewals and extensions of the term of the Mortgage and to any amendment or modification of the Mortgage whether made by the Mortgagor or any subsequent owner of the mortgaged lands, whether or not the Guarantor shall approve of or consent to any such renewal, extension, amendment or modification and whether or not the Guarantor shall have been notified of any such renewal, extension, amendment or modification; and this Guarantee shall apply to the Mortgage terms and conditions as renewed, extended, amended or modified (including without limitation any increase or decrease in the rate of interest payable in respect of the monies secured by the Mortgage) whether or not the Guarantor receives notice of or consents to those terms and conditions.
21. If and whenever the liability of the Guarantor hereunder shall be limited, then and in that event any sale of the assets or any part thereof which are charged by the Mortgage (including any sale of mortgaged lands) shall not act as a reduction of the liability of the Guarantor under this Guarantee or under any judgement obtained by the Mortgagee so long as there are monies due and owing to the Mortgagee after application of any sale proceeds or other monies which have been realized or which are deemed to have been realized by operation of law or otherwise. Accordingly, if the Mortgagee chooses to realize on the Mortgage either prior to or after obtaining a judgment under this Guarantee, the liability of the Guarantor shall always be for the last monies which are due and owing to the Mortgagee.
22. The Guarantor acknowledges the advice of the Mortgagee to obtain independent legal advice in respect of the granting of this Guarantee.
23. This Guarantee shall be construed in accordance with the laws of the Province of Alberta.
24. This Guarantee and Agreement shall extend to and enure to the benefit of the Mortgagee and its successors and assigns and reference herein to the undersigned or to the Guarantor is a reference to and shall be construed as including their heirs, administrators, executors and assigns.
25. Wherever the singular number or the masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context is so required and in any case where this instrument 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 their heirs and executors, administrators, successors and assigns of any party executing this instrument are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained and the covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.
26. The Guarantor does hereby irrevocably submit and attorn to the non exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Guarantee; waives all right to object to jurisdiction or execution in any legal action or proceeding relative to this Guarantee which the Guarantor may now or hereafter have by reason of domicile or otherwise; waives any objection to the laying of venue in such courts of any actions, suits or proceedings arising out of or in connection with this Guarantee; waives and agrees not to plead or claim that any action, suit or proceeding in such courts has been brought in an inconvenient forum; and waives any right the Guarantor may have to, or to apply for, trial by jury in conjunction with any matter, action, proceeding, claim or counterclaim arising out of or pursuant to this Guarantee.
27. If as a result of any payment by Guarantor hereunder whether in respect of principal, interest, interest on overdue interest, fees or other payment obligations, the Mortgagee is required to pay tax under Part XIII of the *Income Tax Act* (Canada) or any other legislation, then Guarantor will, upon



demand by the Mortgagee, and whether or not such taxes are correctly or legally asserted, indemnify the Mortgagee for the payment of any such taxes, together with any interest, penalties and expenses in connection therewith. All such amounts shall be payable by Guarantor on demand and shall bear interest at the same rate as the other monies due hereunder calculated from the date incurred by the Mortgagee to the date paid by the Guarantor.

IN WITNESS WHEREOF the Guarantor has executed these presents this 1 day of March, 2017.

WITNESS



BAHADUR GAIDHAR



**GUARANTEES ACKNOWLEDGMENT ACT**  
(Section 3)

**CERTIFICATE**

I HEREBY CERTIFY THAT:

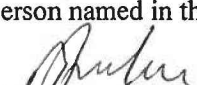
- 1 **BAHADUR GAIDHAR**, the guarantor in the guarantee dated the 1 day of March, 2017 made between **HILLSBORO VENTURES INC.** and **BAHADUR GAIDHAR** which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Khalil Haji (print name), Lawyer at the City of Calgary, in the Province of Alberta, this 1 day of March, 2017.

\_\_\_\_\_  
SIGNATURE of Lawyer

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

  
**BAHADUR GAIDHAR**  
Signature of Guarantor

**LAWYER CERTIFICATION**

I, Khalil Haji the aforesaid Lawyer certify that:  
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:
  - (i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended;
  - or
  - (ii) made in a jurisdiction other than Alberta, and I am a lawyer entitled to practice law in that jurisdiction.

Dated the 1 day of March, 2017.

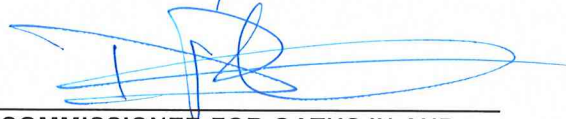
\_\_\_\_\_  
Signature of Lawyer

THIS IS EXHIBIT "12"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



---

A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Pontin  
Barrister and Solicitor

**Search ID #:** Z13622611

**Transmitting Party**

DENTONS CANADA LLP  
Attention: Accounting  
15 FI Bankers Court, 850 2 Street SW  
CALGARY, AB T2P 0R8

Party Code: 50017904  
Phone #: 403 268 7000  
Reference #: 559316-3

**Search ID #:** Z13622611

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:39:14

**Business Debtor Search For:**

CEANA DEVELOPMENT SUNRIDGE

Inexact Result(s) Only Found

**NOTE:**

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



Search ID #: Z13622611

**Business Debtor Search For:**

CEANA DEVELOPMENT SUNRIDGE

Search ID #: Z13622611

Date of Search: 2021-Mar-18

Time of Search: 11:39:14

Registration Number: 17021316349

Registration Date: 2017-Feb-13

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Feb-13 23:59:59

Inexact Match on: Debtor No: 1

**Amendments to Registration**

17071936849	Renewal	2017-Jul-19
17113014048	Amendment	2017-Nov-30

**Debtor(s)**

**Block**

**Status**

1	CEANA DEVELOPMENT SUNRIDGE INC. 20, 1915 - 32 AVENUE NE CALGARY, AB T8E 7C8	Current
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**Secured Party / Parties**

**Block**

**Status**

1	HILLSBORO VENTURES INC. 927 7A STREET N.W. CALGARY, AB T2M 3J4	Current
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**Collateral: General**

**Block**

**Description**

**Status**

1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
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**Particulars**

**Block**

**Additional Information**

**Status**

1	This registration is postponed and subordinated to Registration Numbers 17041009215 and 17041010597 in favour of Connect First Credit Union Ltd.	Current By 17113014048
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Search ID #: Z13622611

**Business Debtor Search For:**

CEANA DEVELOPMENT SUNRIDGE

Search ID #: Z13622611

Date of Search: 2021-Mar-18

Time of Search: 11:39:14

Registration Number: 17041009215

Registration Date: 2017-Apr-10

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2037-Apr-10 23:59:59

Inexact Match on: Debtor No: 1

**Amendments to Registration**

17113014247

Amendment

2017-Nov-30

**Debtor(s)**

**Block**

**Status**

Current

1 CEANA DEVELOPMENT SUNRIDGE INC.  
#101, 3115 - 12 STREET NE  
CALGARY, AB T2E 7J2

**Secured Party / Parties**

**Block**

**Status**

Current

1 CONNECT FIRST CREDIT UNION LTD.  
99 - 2ND STREET WEST, BOX 1137  
BROOKS, AB T1R 1B9  
Phone #: 403 362 4233 Fax #: 403 362 0129

**Collateral: General**

**Block**

**Description**

**Status**

1 All present and after-acquired personal property and any amendments, additions, renewals or replacements thereof. Current

**Particulars**

**Block**

**Additional Information**

**Status**

1 Registration Number 17021316349 in favour of Hillsboro Ventures Inc. is postponed and subordinated to this Registration. Current By 17113014247



Search ID #: Z13622611

**Business Debtor Search For:**

CEANA DEVELOPMENT SUNRIDGE

Search ID #: Z13622611

Date of Search: 2021-Mar-18

Time of Search: 11:39:14

Registration Number: 17041010597

Registration Date: 2017-Apr-10

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2022-Apr-10 23:59:59

Inexact Match on: Debtor No: 1

**Amendments to Registration**

17113014308

Amendment

2017-Nov-30

**Debtor(s)****Block****Status**

Current

1 CEANA DEVELOPMENT SUNRIDGE INC.  
#101, 3115 - 12 STREET NE  
CALGARY, AB T2E 7J2

**Secured Party / Parties****Block****Status**

Current

1 CONNECT FIRST CREDIT UNION LTD.  
99 - 2ND STREET WEST, BOX 1137  
BROOKS, AB T1R 1B9  
Phone #: 403 362 4233 Fax #: 403 362 0129

**Collateral: General****Block****Description****Status**

Current

1 The entire right, title, claim and interest of the Debtor in and to the principal sum, interest, and all other monies owing and payable or hereafter owing and payable to the Debtor pursuant to the terms of any instruments and term deposits with the Secured Party and in all proceeds including without limitation, all goods, securities, instruments, documents of title, chattel paper, intangibles and money.

**Particulars****Block****Additional Information****Status**

1 Registration Number 17021316349 in favour of Hillsboro Ventures Inc. is postponed and subordinated to this Registration.

Current By  
17113014308

Search ID #: Z13622611

**Note:**

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

**Debtor Name / Address**

C.O.N.A. DEVELOPMENTS LTD.  
330 1 ST SE  
MEDICINE HAT, AB T1A0A6

**Reg.#**

17070802708

**SECURITY AGREEMENT**

**Debtor Name / Address**

C.O.N.A. DEVELOPMENTS LTD.  
#1, 790 - 23RD STREET SW  
MEDICINE HAT, AB T1A 8R6

**Reg.#**

18020915175

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT EVANSTONE INC.  
SUITE 101, 3115-12TH STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

15061709656

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT EVANSTONE INC.  
SUITE 101, 3115-12TH STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

15061709664

**LAND CHARGE**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717335

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717489

**LAND CHARGE**

**Debtor Name / Address**

**Reg.#**

Search ID #: Z13622611

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

14022717557

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

16042130886

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT WESTWINDS INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717335

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT WESTWINDS INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717489

**LAND CHARGE**

**Debtor Name / Address**

KANA DEVELOPMENTS LTD  
PO BOX 1115  
NANTON, AB T0L 1R0

**Reg.#**

18092821184

**SECURITY AGREEMENT**

**Debtor Name / Address**

KEYANO DEVELOPMENTS LIMITED  
#1260 FIRST EDMONTON PLACE  
EDMONTON, AB T5J 3S9

**Reg.#**

15010532872

**SECURITY AGREEMENT**

**Debtor Name / Address**

KIYANAW DEVELOPMENT CORP  
PO BOX 21332, RPO CO-OP PLAZA  
GRANDE PRAIRIE, AB T8V 6W7

**Reg.#**

10071311304

**SECURITY AGREEMENT**

**Search ID #: Z13622611**

Result Complete

**Search ID #:** Z13622621

**Transmitting Party**

DENTONS CANADA LLP  
Attention: Accounting  
15 FI Bankers Court, 850 2 Street SW  
CALGARY, AB T2P 0R8

Party Code: 50017904  
Phone #: 403 268 7000  
Reference #: 559316-3

**Search ID #:** Z13622621

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:41:14

**Business Debtor Search For:**

CEANA DEVELOPMENT WESTWINDS

Inexact Result(s) Only Found

**NOTE:**

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



Search ID #: Z13622621

**Business Debtor Search For:**

CEANA DEVELOPMENT WESTWINDS

Search ID #: Z13622621

Date of Search: 2021-Mar-18

Time of Search: 11:41:14

Registration Number: 14022717335

Registration Date: 2014-Feb-27

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2039-Feb-27 23:59:59

Inexact Match on: Debtor No: 1

Inexact Match on: Debtor No: 2

**Amendments to Registration**

15011309450	Amendment	2015-Jan-13
15031714941	Amendment	2015-Mar-17
16010505529	Amendment	2016-Jan-05
18120612412	Renewal	2018-Dec-06
18120612704	Renewal	2018-Dec-06
18120612754	Renewal	2018-Dec-06
19012502865	Renewal	2019-Jan-25

**Debtor(s)****Block****Status**

1 CEANA DEVELOPMENT WESTWINDS INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

Current

**Block****Status**

2 CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

Current



Search ID #: Z13622621

**Secured Party / Parties**

<b><u>Block</u></b>		<b><u>Status</u></b>
1	CANADIAN WESTERN BANK 2810 - 32ND AVENUE NE CALGARY, AB T1Y 5J4	Current

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL PRESENT AND HEREAFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR OF WHATSOEVER NATURE AND KIND AND WHERESOEVER SITUATE. PROCEEDS: ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR RELATING TO THE FOREGOING.	Current
2	THE SUM OF EIGHT THOUSAND DOLLARS (\$8,000) NOW OR HEREAFTER STANDING TO THE CREDIT OF THE DEBTOR NO. 1 AND ALL INTEREST ACCRUED OR EARNED THEREON IN AN ACCOUNT(S) AT THE SECURED PARTY.	Deleted By 15031714941
3	THE SUM OF ONE HUNDRED FIVE THOUSAND DOLLARS (\$105,000) NOW OR HEREAFTER STANDING TO THE CREDIT OF THE DEBTOR NO.1 AND ALL INTEREST ACCRUED OR EARNED THEREON IN AN ACCOUNT(S) AT THE SECURED PARTY.	Deleted By 15031714941
4	THE SUM OF ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000) NOW OR HEREAFTER STANDING TO THE CREDIT OF THE DEBTOR NO. 1 AND ALL INTEREST ACCRUED OR EARNED THEREON IN AN ACCOUNT(S) AT THE SECURED PARTY.	Deleted By 16010505529

**Search ID #:** Z13622621

**Business Debtor Search For:**

CEANA DEVELOPMENT WESTWINDS

**Search ID #:** Z13622621

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:41:14

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Registration Number: 14022717489

Registration Type: LAND CHARGE

Registration Date: 2014-Feb-27

Registration Status: Current

Registration Term: Infinity

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Inexact Match on: Debtor No: 1

Inexact Match on: Debtor No: 2

---

**Debtor(s)**

**Block**

**Status**

Current

1 CEANA DEVELOPMENT WESTWINDS INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Block**

**Status**

Current

2 CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Secured Party / Parties**

**Block**

**Status**

Current

1 CANADIAN WESTERN BANK  
2810 - 32ND AVENUE NE  
CALGARY, AB T1Y 5J4

Search ID #: Z13622621

**Note:**

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

**Debtor Name / Address**

C.O.N.A. DEVELOPMENTS LTD.  
330 1 ST SE  
MEDICINE HAT, AB T1A0A6

**Reg.#**

17070802708

**SECURITY AGREEMENT**

**Debtor Name / Address**

C.O.N.A. DEVELOPMENTS LTD.  
#1, 790 - 23RD STREET SW  
MEDICINE HAT, AB T1A 8R6

**Reg.#**

18020915175

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT EVANSTONE INC.  
SUITE 101, 3115-12TH STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

15061709656

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT EVANSTONE INC.  
SUITE 101, 3115-12TH STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

15061709664

**LAND CHARGE**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717335

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

14022717489

**LAND CHARGE**

**Debtor Name / Address**

**Reg.#**

Search ID #: Z13622621

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

14022717557

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Reg.#**

16042130886

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT SUNRIDGE INC.  
20, 1915 - 32 AVENUE NE  
CALGARY, AB T8E 7C8

**Reg.#**

17021316349

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT SUNRIDGE INC.  
#101, 3115 - 12 STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

17041009215

**SECURITY AGREEMENT**

**Debtor Name / Address**

CEANA DEVELOPMENT SUNRIDGE INC.  
#101, 3115 - 12 STREET NE  
CALGARY, AB T2E 7J2

**Reg.#**

17041010597

**SECURITY AGREEMENT**

**Debtor Name / Address**

KANA DEVELOPMENTS LTD  
PO BOX 1115  
NANTON, AB T0L 1R0

**Reg.#**

18092821184

**SECURITY AGREEMENT**

**Debtor Name / Address**

KEYANO DEVELOPMENTS LIMITED  
#1260 FIRST EDMONTON PLACE  
EDMONTON, AB T5J 3S9

**Reg.#**

15010532872

**SECURITY AGREEMENT**

**Debtor Name / Address**

**Reg.#**

**Search ID #:** Z13622621

KIYANAW DEVELOPMENT CORP  
PO BOX 21332, RPO CO-OP PLAZA  
GRANDE PRAIRIE, AB T8V 6W7

10071311304

**SECURITY AGREEMENT**

Result Complete

**Search ID #:** Z13622637

**Transmitting Party**

DENTONS CANADA LLP  
Attention: Accounting  
15 FI Bankers Court, 850 2 Street SW  
CALGARY, AB T2P 0R8

Party Code: 50017904  
Phone #: 403 268 7000  
Reference #: 559316-3

**Search ID #:** Z13622637

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:43:06

**Individual Debtor Search For:**

GAIDHAR, BAHADUR

Exact Result(s) Only Found

**NOTE:**

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





Search ID #: Z13622637

**Individual Debtor Search For:**

GAIDHAR, BAHADUR

Search ID #: Z13622637

Date of Search: 2021-Mar-18

Time of Search: 11:43:06

Registration Number: 08100115429

Registration Date: 2008-Oct-01

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Oct-01 23:59:59

Exact Match on:

Debtor

No: 1

**Amendments to Registration**

13091321140

Renewal

2013-Sep-13

18091708011

Renewal

2018-Sep-17

**Debtor(s)****Block****Status**

1 GAIDHAR, BAHADUR  
SITE 6, BOX 19, RR6, LCD 9  
CALGARY, AB T2M 4L5

Birth Date:  
1947-Aug-18

Current

**Block****Status**

2 BHAMANI, MOIZ, HASANALI  
11467 COVENTRY BLVD. N.E.  
CALGARY, AB T3K 4C7

Birth Date:  
1984-May-26

Current

**Block****Status**

3 AHEER, MALKEET  
167 COVE DRIVE  
CHESTERMERE, AB T1X 1E9

Birth Date:  
1971-Oct-21

Current

Search ID #: Z13622637

**Secured Party / Parties**

**Block**

**Status**

1 CANADIAN WESTERN BANK  
2810 - 32ND AVENUE N.E.  
CALGARY, AB T1Y 5J4

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL INDEBTEDNESS, BOTH PRESENT AND FUTURE, OF GBA CAPITAL PARTNERS  
INC. TO THE DEBTORS (OR ANY ONE OR MORE OF THEM), AND ALL PROCEEDS  
RELATING THERETO.

Current

**Search ID #:** Z13622637

**Individual Debtor Search For:**

GAIDHAR, BAHADUR

**Search ID #:** Z13622637

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:43:06

Registration Number: 14022717557

Registration Date: 2014-Feb-27

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Feb-27 23:59:59

Exact Match on:

Debtor

No: 2

**Amendments to Registration**

19010915617

Renewal

2019-Jan-09

**Debtor(s)**

**Block**

**Status**

Current

1 CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

**Block**

**Status**

Current

2 GAIDHAR, BAHADUR  
SITE 6/ BOX19 RR 6 LCD 9  
CALGARY, AB T2M 4L5

Birth Date:  
1947-Aug-18

**Secured Party / Parties**

**Block**

**Status**

Current

1 CANADIAN WESTERN BANK  
2810 - 32ND AVENUE NE  
CALGARY, AB T1Y 5J4

**Collateral: General**

**Block**

**Description**

**Status**

Current

1 ALL INDEBTEDNESS, BOTH PRESENT AND FUTURE, OF CEANA DEVELOPMENT WESTWINDS INC. TO THE DEBTORS (OR ANY ONE OR MORE OF THEM), AND ALL PROCEEDS RELATING THERETO.

Search ID #: Z13622637

**Individual Debtor Search For:**

GAIDHAR, BAHADUR

Search ID #: Z13622637

Date of Search: 2021-Mar-18

Time of Search: 11:43:06

Registration Number: 16042130886

Registration Date: 2016-Apr-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2021-Apr-21 23:59:59

Exact Match on: Debtor No: 2

**Debtor(s)****Block****Status**

1 CEANA DEVELOPMENT INC.  
245111 MEADOW RIDGE ROAD  
CONRICH, AB T2M 4L5

Current

**Block****Status**

2 GAIDHAR, BAHADUR  
SITE 6 BOX 19 RR6 LCD 9  
CALGARY, AB T2M 4L5

Current

Birth Date:  
1947-Aug-18

**Secured Party / Parties****Block****Status**

1 CANADIAN WESTERN BANK  
2810 - 32ND AVENUE N.E.  
CALGARY, AB T1Y 5J4

Current

**Collateral: General****Block****Description****Status**

1 ALL INDEBTEDNESS, BOTH PRESENT AND FUTURE, OF CEANA DEVELOPMENT  
SUNRIDGE INC. TO THE DEBTORS (OR ANY ONE OR MORE OF THEM), AND ALL  
PROCEEDS RELATING THERETO.

Current

Result Complete

**Search ID #:** Z13622654

**Transmitting Party**

DENTONS CANADA LLP  
Attention: Accounting  
15 FI Bankers Court, 850 2 Street SW  
CALGARY, AB T2P 0R8

Party Code: 50017904  
Phone #: 403 268 7000  
Reference #: 559316-3

**Search ID #:** Z13622654

**Date of Search:** 2021-Mar-18

**Time of Search:** 11:44:42

**Individual Debtor Search For:**

GAIDHAR, YASMIN

No Result(s) Found

**NOTE:**

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

Result Complete



THIS IS EXHIBIT "13"

REFERRED TO IN THE AFFIDAVIT OF

KEITH FERREL

Sworn before me this 19 day of March, 2021



A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA

Derek Poncin  
Barrister and Solicitor



COURT FILE NUMBER **1901-02371**

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS BAHADUR GAIDHAR, YASMIN GAIDHAR and  
CEANA DEVELOPMENT INC.

RESPONDENTS SHAILENDER VYAS, RITIKA ANAND, VISION  
10 PRODUCTION INC. and 2033273 ALBERTA  
INC.

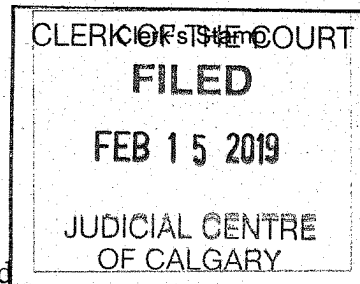
DOCUMENT **AFFIDAVIT**

PARTY FILING THIS DOCUMENT BAHADUR GAIDHAR, YASMIN GAIDHAR and  
CEANA DEVELOPMENT INC.

ADDRESS FOR SERVICE AND  
CONTACT **VERJEE & ASSOCIATES**  
Barristers & Solicitors  
Suite 200, 128 – 2 Avenue SE  
Calgary, Alberta T2G 5J5

INFORMATION OF  
PARTY FILING THIS DOCUMENT

**Attention: Zul Verjee, Q.C.**  
Telephone: (403) 532-8881  
Facsimile: (403) 532-8870  
E-Mail: zul.verjee@verjee-law.com  
File No.: 533539-2351



**Affidavit of Bahadur ("Bob") Gaidhar affirmed on the 14<sup>th</sup> day of February, 2019**

I, Bahadur ("**Bob**") Gaidhar, of Calgary, Alberta, SOLEMNLY SWEAR AND SAY THAT:

1. I am a director of Visions 20 Entertainment Inc. ("**Visions 20**"), and as such I have personal knowledge of the matters herein deposed to, except where stated to be based on information and belief, in which case I believe the same to be true.
2. In August 2016, my wife, Yasmin Gaidhar ("**Yasmin**"), and I met with Ritika Anand ("**Ms. Anand**") and Shailender Vyas ("**Mr. Vyas**") with respect to a possible business opportunity related to the financing and production of a Hindi language Bollywood movie. I had met with Ms. Anand previously, in or about the month preceding, when she first pitched the film concept. After reviewing the script and meeting with Mr. Vyas and Ms. Anand, my wife and I agreed to invest in the project. It was our intention to remain the owners of the project and to maintain the majority of control of the project at all times.

3. On or about September 24, 2016, Ceana Development Inc. ("**Ceana**") entered into a Memorandum of Understanding with Ms. Anand, Mr. Vyas and Vision 10 Productions Inc. ("**Vision 10**"). I am the sole director of Ceana, and Vision 10 is a corporation of which Mr. Vyas and Ms. Anand are the directors and shareholders. The Memorandum of Understanding contemplated the development and production of a full-length feature Bollywood film, tentatively titled "JL50" (the "**JL50 Film**"), which was written to take place in India. The parties were to form a joint venture corporation wherein Ceana was to hold 60% of the shares and Vision 10 was to hold the remaining 40%. It was agreed that Ceana would finance the JL50 Film and Ms. Anand and Mr. Vyas would be the producer and director, respectively, although Vision 10 is formally listed as holding these positions. Mr. Vyas was to receive direct compensation for his work as the film writer and director; however, no such compensation was ever contemplated or agreed to with respect to Ms. Anand and her involvement with the JL50 Film. Ms. Anand is the spouse of Mr. Vyas, and any decision regarding compensation was made as between them, without involvement from myself or Yasmin. Any disputes arising out of the Memorandum of Understanding were to be settled by binding Arbitration in Alberta. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of the Memorandum of Understanding dated September 24, 2016. Further attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of corporate registry searches for both Ceana and Vision 10.
4. In contemplation of the JL50 Film project, Visions 20 was created through an amendment of an existing Alberta corporation. Visions 20 was intended to be the official vehicle through which the JL50 Film project would be produced and by which contracts would be entered into with actors and production crew. Prior to Visions 20 being incorporated, any such contracts were executed by Ceana. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of the Certificate of Amendment for Visions 20.
5. Mr. Vyas and I are currently the two directors of Visions 20. My wife, Yasmin, is the majority shareholder of Visions 20, owning 60% of the voting shares and Mr. Vyas owns the remaining 40% of the voting shares. Ms. Anand is neither a shareholder, director or officer of Visions 20. Attached as **Exhibit "D"** to this my Affidavit is a true copy of the corporate registry search result for Visions 20.
6. In addition to Visions 20, Bollywood Entertainment Productions Inc. ("**Bollywood Entertainment**") was incorporated in contemplation of the JL50 Film project. Yasmin is the sole director of Bollywood Entertainment. This corporation was incorporated in order to make payments with respect to the JL50 Film project on behalf of Ceana. Attached as **Exhibit "E"** to this my Affidavit is a true copy of the corporate registry search result for Bollywood Entertainment.
7. Before production began, I was advised by Mr. Vyas and Ms. Anand that they intended to apply for an Alberta Production Grant offered by the Alberta Government. This was to be a Canadian film shot in India.
8. The Alberta Grant Application was submitted on behalf of Visions 20. Yasmin is referenced as the contact individual and individual with signing authority; however, the application was filled out and entered by Ms. Anand and/or Mr. Vyas. Mr. Vyas was listed as the writer and

director of the film and Ms. Anand was listed as the "1<sup>st</sup> Performer in lead or supporting Role". It was not my understanding that Ms. Anand was to have a starring role, or any acting role in this film, but rather, that her role was strictly to be a producer. The total film cost as stated in the Alberta Grant application was budgeted to be \$2,499,900.00 CAD, with \$833,000.00 in non-Alberta costs and \$1,666,900.00 in Alberta costs. It was my understanding that this budget was set as such to secure the maximum funding available, but that the film budget was closer to \$2.2 million. The Alberta Government grant was to be for an additional \$500,070.00 and, therefore, 80% of the budget was noted to come from Ceana and 20% from the grant. Attached as **Exhibit "F"** to this my Affidavit is a true copy of the grant application.

9. I was further advised by Mr. Vyas and Ms. Anand that it was necessary that Ceana, as financier, provide a letter of intent for financing of the JL50 Film in the amount of \$2,000,000.00, and that this was a requirement of the application. To facilitate the above noted production grant, on or about March 19, 2017, I executed a financing letter on behalf of Ceana committing to the financing of the JL50 Film project (the "**Financing Letter**"). The Financing Letter committed Ceana to financing in the amount of \$2,000,000.00 CAD. This amount was to be made available to the "producers", which are referred to in the Financing Letter as Visions 20, at least 60 days before principal photography started. Upon the completion of the film, it was agreed that the full investment would be returned to Ceana as well as 10% of the back-end profit. Yasmin and I had no involvement in the preparation of any of the documents submitted in regards to the grant with the exception of signing the Financing Letter. Attached as **Exhibit "G"** to this my Affidavit is a true copy of the Financing Letter dated March 19, 2017.
10. The Financing Letter was created for the sole purpose of facilitating the Alberta Production Grant. It was never my intention for the Financing Letter to be the sole agreement for financing as between Ceana and Visions 20.
11. The Alberta Government grant, for which the above noted Financing Letter was created was withdrawn on February 8, 2018. Attached hereto and marked as **Exhibit "H"** to this my Affidavit is a true copy of the February 8, 2018 letter indicating the grant was withdrawn.
12. Principal photography and filming of the JL50 Film began in or about the summer of 2017, and over the course of the following year, in excess of \$1.8 million, CAD (the "**Initial Financing**") was advanced for the production of the JL50 Film by or on behalf of Ceana.
13. Initially, before the bank accounts were set up, funds for the JL50 Film were sent directly to Mr. Vyas and Ms. Anand or their corporations, 2033273 Alberta Inc. and Vision 10. I also had a bank account at the CITI Bank in India, through which payments were made. On the recommendation of Ms. Anand, my nephew and cousin then set up an account for Cinescience Production Private Ltd. ("**Cinescience**"), an Indian corporation incorporated to facilitate payments for the JL50 Film within India at the Axis bank in Pune, India. Attached hereto and marked as **Exhibit "I"** to this my Affidavit is a true copy of the corporate search for 2033273 Alberta Inc.

14. As part of managing the financing for the film, I engaged a Chartered Accountant in India, Paresh Rakesh and Associates. Early on in the filming process, however, Paresh Rakesh, who was initially hired by Visions 20, was fired by Mr. Vyas and/or Ms. Anand and replaced with Mr. Umesh Anand without the approval of either Yasmin or myself. It is my understanding that Mr. Umesh Anand is a close relative of Mr. Vyas and Ms. Anand. I was never consulted regarding this change and it was done unilaterally by Mr. Vyas and Ms. Anand. I was not advised until after the fact.
15. I was advised by Mr. Umesh Anand and do verily believe the same to be true, that Mr. Umesh Anand and/ or Ms. Anand, without authority from myself, moved the Cinescience account to Kolkata and it is my understanding that this account cannot be moved back to Pune. I am advised by my nephew and cousin, the primary account holders, and do verily believe the same to be true, that they were not consulted nor did they authorize this move. Ms. Anand has power of attorney for the Cinescience account and, therefore, has signing and transfer authority. She also has the account numbers and pin numbers at the CITI Bank.
16. Principal Filming for the JL50 Film was halted in or about the late autumn of 2017.
17. Mr. Vyas and/or Ms. Anand subsequently advised me that there had been a number of changes with the JL50 Film and the entire project was over-budget. In particular, Rahul Gandhi had been replaced by Devinder Gandhi as the executive producer. As with the change of accountant, this was never approved by myself, as a director of Visions 20, Ceana as financier of the film or Yasmin, as the majority shareholder of Visions 20. At least \$6,447,000 rupees (approximately \$122,000.00 CAD) have been paid to Devinder Gandhi, directly. Attached hereto and marked as **Exhibit "J"** to this my Affidavit is a true copy of the amount paid to Devinder Gandhi.
18. As a result of the changes in accounting services and banking, Ceana was unable to account for the Initial Financing and the manner in which it had been expended. Ceana made repeated requests of Mr. Umesh Anand, Mr. Vyas and Ms. Anand for a full accounting of the monies advanced to the JL50 Film project, including copies of invoices and receipts for payment as well as any other documentation evidencing the manner in which the Initial Financing had been utilized. Ceana required a full and proper accounting so that it could reconcile the accounts, properly provide information to the Canada Revenue Agency and to ensure that all of the monies paid have been properly allocated to the appropriate recipient and/or vendor in the appropriate amount. This was required before any further monies could be advanced.
19. For instance, on or about December 7, 2017, Bollywood Entertainment provided \$17,000.00 CAD to the Axis bank account, and a portion of this money was to pay various taxes for the JL50 Film in India. I later learned that this money, which had been designated for Indian Federal Taxes, was indeed spent by Ms. Anand, but was not used for the intended purpose. To date I do not have an accounting of how these funds were utilized. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is a true copy of the payment order of December 7, 2017.

20. This accounting information, including full supporting documentation, should have been maintained by Mr. Umesh Anand, the accountant, or Mr. Vyas as director and/or Ms. Anand, in her capacity as a producer; however, no such information has been provided, despite my repeated requests.
21. On or about January 28, 2018, Mr. Umesh Anand provided through Ms. Anand and Mr. Vyas a summary of the monies spent on production, although this information was insufficient as it did not provide any date of payment, or any source documentation, such as invoices or receipts for payment, by which the payments could be verified. From a review of the summary provided on January 28, 2018, 33,223,011 rupees had been spent on production costs for the JL50 Film. This is approximately \$692,146.06 CAD; however, as at this date, excluding payment made to the actors, the amount paid by way of the Initial Financing would indicate that \$1,096,702.00 CAD had been spent on production costs. In the result, I could not account for the use of a significant portion of the Initial Financing. I again requested the source documentation and accounting from Mr. Umesh Anand; however, Mr. Umesh Anand advised that he was unable to provide this information to me, as he was engaged by Mr. Vyas and Ms. Anand, and he required their instruction, despite the fact that I am a director of Visions 20. Attached hereto and marked as **Exhibit "L"** to this my Affidavit is a true copy of the January 28, 2018 summary of expenses and email correspondence from Mr. Umesh Anand of the same date.
22. This accounting was, at most, a summary of expenses and was not a full and proper accounting as it did not provide sufficient detail or supporting documentation in order to verify the manner in which the Initial Financing was allocated. To date, Mr. Vyas and Ms. Anand continue to claim that the January 28, 2018 summary is a full accounting. I have been advised by Ms. Anand, and do verily believe the same to be true, that Ms. Anand withdrew the funds as referenced above with her signing authority and/or power of attorney to the Cinescience and CITI Bank accounts to make payments directly to various interested parties and vendors.
23. Subsequently, in or about February 2018, the business relationship between myself, Yasmin, Mr. Vyas and Ms. Anand began to break down. On or about February 13, 2018, Ms. Anand's mother, as agent for Mr. Vyas, brought an Originating Action in the Court of Queen's Bench of Alberta bearing Action No. 1801-02173, against Yasmin, in her capacity as a shareholder of Visions 20. The remedy sought was to have Mr. Vyas appointed as the "corporate representative" of Visions 20. This action was dismissed in full by Master Robertson, Q.C. on April 3, 2018. Attached hereto and marked as **Exhibit "M"** to this my Affidavit, is a true copy of the Originating Action bearing Action No. 1801-02173, as well as a true copy of the April 3, 2018 Order of Master Robertson, Q.C.
24. During this time, I was repeatedly informed by Mr. Vyas and Ms. Anand that I would be able to inspect the financial documents at the office of Mr. Umesh Anand in Kolkata, India. As both a director of Visions 20 and on behalf of Ceana, the financier of the JL50 Film, I did not believe it was proper to have to travel overseas to review the financials, particularly as any such documentation could be provided electronically.

25. Due to my concern with respect to the finances related to the JL50 Film, however, on or about March 6, 2018, I travelled to India to review the financials and meet with Mr. Vyas and Ms. Anand. When I arrived, I was told by Mr. Vyas and Ms. Anand to meet with Mr. Umesh Anand in Kolkata to review the financials. However, when I contacted Mr. Anand, he advised me that he would not provide the documentation requested. He indicated to me that because he had been engaged by Ms. Anand and Mr. Vyas, he could only provide that information through them. I returned to Canada on March 18, 2018, having not been provided with an opportunity to review the financials that I required.
26. Further, increasing my concerns with respect to the JL50 Film, following my trip to India, on or about March 29, 2018, I paid \$23,000.00 CAD to Broad Street Broadway Hotel through Bollywood Entertainment, in satisfaction of the arrears for living expenses and accommodations incurred by Ms. Anand, Mr. Vyas and the film crew, in India and to which a claim was brought for debt satisfaction in the Indian Courts. These expenses were to be included as part of the production costs, including an office and apartment for Mr. Vyas and Ms. Anand to stay in during filming in India. I had assumed that these expenses were being paid from of the Initial Financing. Further, once filming for the film ceased there was no reason for Mr. Vyas or Ms. Anand to remain in India. I had purchased a return ticket to Canada for both of them; however, this was forfeited. The office and apartment should have been surrendered once filming ceased; however, it is my understanding that Ms. Anand continued to live there and accrue expenses, despite the fact that the JL50 Film project had been halted since the autumn of 2017. Attached hereto and marked as **Exhibit "N"** to this my Affidavit is a true copy of the confirmation of payment on March 29, 2018 of the \$23,000.00 by Bollywood Entertainment.
27. On or about April 27, 2018, Mr. Vyas filed a Statement of Claim in the Court of Queen's Bench bearing Action No. 1801-06085 on behalf of Visions 20 as against Ceana. Attached hereto and marked as **Exhibit "O"** to this my affidavit is a true copy of the Statement of Claim bearing Action No. 1801-06085.
28. On or about April 30, 2018, Mr. Vyas filed an Originating Application in the Court of Queen's Bench of Alberta bearing Action No. 1801-06136 on behalf of Visions 20 against myself, in my personal capacity. Attached hereto and marked as **Exhibit "P"** to this my Affidavit is a true copy of the Originating Action bearing Action No. 1801-06136.
29. On or about May 8, 2018, Mr. Vyas filed yet another Originating Application in the Court of Queen's Bench of Alberta bearing Action No. 1801-06608 in his personal capacity as against myself and Yasmin in our personal capacities. Attached hereto and marked as **Exhibit "Q"** to this my Affidavit is a true copy of the Originating Action bearing Action No. 1801-06608.
30. I am advised by Zul Verjee Q.C., ("**Counsel**") of Verjee & Associates, Barristers and Solicitors, counsel for myself, Yasmin and Ceana and do verily believe the same to be true that the cross-examination of Mr. Vyas on the affidavits sworn in Action Nos. 1801-06608 and 1801-06136 occurred on May 14 and 22, 2018.



31. Following cross-examination, settlement discussions took place between the parties with the aim of repairing the business relationship and securing the completion of the JL50 Film, which was the shared goal of both myself and Mr. Vyas. In the course of these settlement discussions, I advised that Ceana required a full accounting of the JL50 Film. I was advised by my accountants, Simeen Bhanji, C.A. and do verily believe the same to be true, that a full audit was required to satisfy the Canada Revenue Agency that the payments advanced to India were legitimate.
32. I am advised by Counsel and do verily believe the same to be true that Mr. Vyas testified at the cross-examination on his affidavit sworn in Action No. 1801-06608, that he did not exchange any monies for his 40% of the shares in Visions 20, nor had he invested any money towards the JL50 Film project. I am further advised by Counsel, and do verily believe the same to be true, that Mr. Vyas further testified that he did not have the ability to contribute any funds to the JL50 Film or to "buy-out" the investment made by Ceana.
33. On or about May 15, 2018, Mr. Vyas provided a signed letter to Mr. Umesh Anand, the accountant for the JL50 Film, advising that I was to have continued, complete and unfettered access to the accounting records of Visions 20 and the JL50 Film. To date, I have not received any of the required accounting information despite repeated requests. Attached hereto and marked as **Exhibit "R"** to this my Affidavit is a true copy of the May 15, 2018 correspondence.
34. On or about July 3, 2018 a Settlement Agreement (the "**Settlement Agreement**") was entered into as between myself, Mr. Vyas, Yasmin and Ceana. The Settlement Agreement was entered into to address the issues raised in the above noted three actions brought by Mr. Vyas, and to facilitate the working relationship to the completion of the JL50 Film. The Settlement Agreement contemplated an additional investment of \$500,000.00 CAD, to be invested into the JL50 Film, either by myself, personally, or through Ceana, which included payment of outstanding vendor accounts. Attached hereto and marked as **Exhibit "S"** to this my Affidavit is a true copy of the executed Settlement Agreement.
35. Pursuant to paragraph 6(a) of the Settlement Agreement, I provided an initial payment to Mr. Vyas, through Bollywood Entertainment, in the amount of \$5,000.00 on August 4, 2018. Attached hereto and marked as **Exhibit "T"** to this my Affidavit is a true copy of the cheque provided to Mr. Vyas.
36. With respect to outstanding vendor accounts, the Settlement Agreement required at paragraph 3, that Mr. Vyas provide to my attention a breakdown of all of the vendors related to the JL50 Film for whom payment was outstanding, including all supporting documentation and contact information, and such was to be delivered on or before July 16, 2018. Pursuant to paragraph 4 of the Settlement Agreement, I was to then provide payment to such vendors no later than August 19, 2018.
37. I received confirmation of the alleged outstanding payables to vendors for the Film, pursuant to paragraph 3 of the Settlement Agreement, in the amount of \$95,316.00 CAD (3,344,613 rupees); however, no supporting documentation or contact information was provided for the same. I endeavored to set up a meeting with Mr. Vyas and Ms. Anand in an effort to sort out

the remaining vendor payments, but I still did not receive the additional information. Attached hereto and marked as **Exhibit "U"** to this my Affidavit is a true copy of the backlog "accounting" provided by Mr. Vyas. Attached hereto and marked as **Exhibit "V"** to this my Affidavit is a true copy of the list of outstanding vendor payables provided to me by Mr. Vyas.

38. I further provided to Mr. Vyas additional payment in the amount of \$10,000.00 on August 20, 2018; however, pursuant to paragraph 6(b) of the Settlement Agreement, such payment was due on August 19, 2018. With the advance of this payment, either Ceana or myself, personally, had invested a total of \$1,804,202.13 CAD towards the financing of the JL50 Film. This figure includes the Initial Financing and the additional monies paid pursuant to the Settlement Agreement. This figure does not include the \$32,500.00 that was paid pursuant to the Memorandum of Understanding. Attached hereto and marked as **Exhibit "W"** to this my Affidavit is a true copy of the cheque provided to Mr. Vyas.
39. I am advised by Counsel and do verily believe the same to be true, that on or about August 22, 2018, counsel for Mr. Vyas provided correspondence to Counsel advising that he had received confirmation that the accountant, art director, executive producer and production coordinator had not been paid, and made the assumption that other vendors had also not been paid. He advised that paragraph 12 of the Settlement Agreement was therefore invoked as a result of the breach of the Settlement Agreement. This provision permitted Mr. Vyas to seek third party financing for the completion of the production of the JL50 Film. Attached hereto and marked as **Exhibit "X"** to this my Affidavit is a true copy of the August 22, 2018 correspondence from counsel for Mr. Vyas.
40. Following the receipt of correspondence from counsel for Mr. Vyas on August 22, 2018, no further deliverables have been made, by either myself or Mr. Vyas under the Settlement Agreement.
41. As at that date, however, I had not received the information in relation to the outstanding vendors, despite attempting to meet with Mr. Vyas and Ms. Anand to discuss these issues, nor had accounting documentation been provided to myself as a director of Visions 20, or to Ceana in order to reconcile the \$1.8 million already invested in the film. I did not meet with Mr. Vyas and Ms. Anand until on or about August 24, 2018.
42. To date, \$126,604.54 has been paid directly to Mr. Vyas in directing fees for the JL50 Film. This figure does not include the initial \$32,500.00 provided to Mr. Vyas and Ms. Anad pursuant to the Memorandum of Understanding, which only contemplated a payment of \$25,000.00, thus resulting in an overpayment of \$7,500.00 under that agreement. Attached hereto and marked as **Exhibit "Y"** to this my Affidavit is a true copy of the record of funds provided to Mr. Vyas.
43. Of the Initial Financing, I have received confirmation that \$707,500.00 had been paid to the Film actors, leaving a total of \$1,096,702.00 CAD in production costs paid to date. In January 2018, and attached hereto at Exhibit "L", I had received a summary of production payment in the amount of \$692,146.00 (33,233,011 rupees). While I acknowledge that these figures might fluctuate as the funds transferred were subject to the daily exchange rate

between the Canadian Dollar and Indian Rupee, this still leaves, approximately, \$404,556.00 CAD of the Initial Financing completely unaccounted for. I was shocked that there was an additional \$95,316.00 CAD outstanding to vendors, given the significant investment forwarded for production and the considerable amount spent for which no information has been provided. Furthermore, the limited information that has been provided to date is grossly insufficient. I, therefore, did not believe it was in Ceana's best interests to advance any further funds for the JL50 Film, given that the Film was over-budget and such a significant amount of production financing was unaccounted for, and remains unaccounted for to date.

44. In the result, I believed it was in the best interests of all the parties for me to assist in securing third-party financing to complete the project and, in a good faith effort, I began searching for a third-party investor for the JL50 Film.
45. In or about September 2018, I identified an investor that was interested in investing in the JL50 Film and facilitating the completion, post-production and marketing of the film. This investor requested that Rahul Gandhi, the former executive producer, terminated by Mr. Vyas and/or Ms. Anand, be his agent in India to facilitate the completion of the film project. Unfortunately, this proposed investment was not completed, and I am advised by the investor, and do verily believe the same to be true, that it was because of the position taken by Mr. Vyas and Ms. Anand that caused the investor to withdraw.
46. I am advised by this investor, and do verily believe the same to be true, that the investor believed that the budget provided by Mr. Vyas appeared to be excessive, and that the investor wanted an agent on the ground to manage the finances moving forward. On or about September 25, 2018, Mr. Vyas corresponded with me via email and advised that:

Further, I am happy to travel to India to meet with the investor and his agent/representative as I would like to meet the investor as well to discuss the availability of the funds and the extent of the involvement of Mr. Gandhi as his agent. I am confirming here that the agent or representative of the investor cannot have anything to do with the production of the film (and can only act as an agent of the investor) and I would need to look in detail into the offer the investor is presenting before a decision can be made. The travel arrangements to India will have to be made for both myself and Ritika Anand as she is the producer on the project.

Attached hereto and marked as **Exhibit "Z"** to this my Affidavit is a true copy of the September 25, 2018 correspondence from Mr. Vyas.

47. I was then able to find a second investor, Mr. Kaul Pramod, located in Mumbai and well known within the Bollywood community, to finance the remainder of the film. On or about November 14, 2018, Mr. Vyas and myself corresponded via email regarding the JL50 Film budget in relation to the new investor. While Mr. Vyas had previously provided a budget in the amount of \$500,000.00 CAD to complete the JL50 Film, as included in the Settlement Agreement, he advised that the actual budget would be approximately \$650,000.00 CAD. There was no accounting or revised budget ever provided in support of this drastically increased figure, however. At this time, I was still working with the investor with the goal of completing the film. Attached hereto and marked as **Exhibit "AA"** to this my Affidavit

is a true copy of the correspondence exchanged as between myself and Mr. Vyas in relation to the budget.

48. Unfortunately, Mr. Vyas demanded to meet with Mr. Pramod and made similar demands regarding evidence as to the investor's experience with Bollywood films. I was further advised by Mr. Pramod and do verily believe that Mr. Vyas advised Mr. Pramod that I had no corporate authority to enter into any financing agreement of behalf of Visions 20. At no material time, however, did I vacate my position as a director of Visions 20. The potential investment deal with Mr. Pramod subsequently fell through as the investor advised he was unwilling to work with Mr. Vyas. Attached hereto and marked as **Exhibit "BB"** to this my affidavit is a true copy of the correspondence between Mr. Pramod and Mr. Vyas.
49. On or about November 17, 2018, I met with Mr. Vyas and he advised me that he would provide me with any financing documents for my review prior to execution. I offered to travel to India to aid in any negotiations, to which Mr. Vyas was agreeable.
50. On or about December 18, 2018, I again met with Mr. Vyas and we confirmed that he would provide any financing documents for my review before execution; however, he also advised that he was travelling to India two days later. It was also agreed that Mr. Vyas and Ms. Anand would advise myself and Yasmin of the filming days for the remainder of the JL50 Film, so that one of us could be there.
51. On or about January 4, 2019, I was advised through my contacts in India that an investor had been secured by Mr. Vyas and Ms. Anand. As a director of Visions 20, as well as the representative of the sole financier with a significant investment of \$1.8 million CAD in the project, I requested, through Counsel, to review the financing arrangements. I was further advised by my wife Yasmin, and do verily believe, that she was also concerned about her 60% interest in Visions 20, and wished to review the financing agreement. I am advised by Counsel and do verily believe that the content of the email provided to counsel for Mr. Vyas stated:

Our clients have informed our office that Mr. Vyas is seeking to exercise clause 12 of the Settlement Agreement and seek an outside funding for the JL50 Film. We write to advise that as a Director and majority Shareholder of Visions 20 Entertainment, Mr. and Mrs. Gaidhar are entitled to notice of, and the opportunity to review, the proposed agreement and any documentation related to the same regarding outside funding prior to the Corporation committing to any such agreement. Further, any such additional funding cannot prejudice the rights of ownership of Mr. and Mrs. Gaidhar or dilute the value of their shares. Any impact must be to both Mr. Vyas and the Gaidhars equally.

Attached hereto and marked as **Exhibit "CC"** to this my Affidavit is a true copy of the correspondence sent on January 4, 2019, as between Verjee & Associates and counsel for Mr. Vyas.

52. I am advised by Counsel and do verily believe the same to be true that on January 11, 2019, counsel for Mr. Vyas advised that the potential investor had been provided with a budget of \$500,000.00 for completion of the JL50 Film, in contrast to the revised budget that had been provided to me by Mr. Vyas in November 2018. Attached hereto and marked as **Exhibit "DD"** to this my Affidavit is a true copy of the January 11, 2019 correspondence.

53. I am advised by Counsel and do verily believe the same to be true, that on January 24, 2019, counsel for Mr. Vyas and Ms. Anand provided my Counsel with an executed financing agreement as between Visions 20, Ms. Anand and Golden Ratio Films Pte. Ltd., a corporation incorporated pursuant to the laws of Singapore (the "**Singapore Investor**") and entered into on January 3, 2019 (the "**Financing Agreement**"). Attached hereto and marked as **Exhibit "EE"** to this my Affidavit is a true copy of the Financing Agreement as provided to Counsel.
54. I was not provided an opportunity to review the Financing Agreement prior to its execution, nor was I provided with any details of this arrangement until nearly three weeks after the Financing Agreement was executed. Similarly, I am advised by Yasmin and do verily believe the same to be true, that she was also not provided with an opportunity to review the Financing Agreement or any details in that regard. From a review of Annexure "B" of the Financing Agreement, the Singapore Investor has agreed to provide a total of 29,999,430.00 rupees (the "**Financing Investment**"), which is the equivalent of approximately, \$550,000.00 CAD (subject to the exchange rate). I am further advised by Counsel and do verily believe that section 1.2 of the Financing Agreement confirms that the budget for the JL50 Film was not to exceed 30,000,000 rupees (\$550,000.00 CAD), approximately \$100,000.00 CAD less than the budget for the Film that was demanded by Mr. Vyas during my negotiations with Mr. Pramod.
55. From a further review of Annexure "B" of the Financing Agreement, four (4) of the seven (7) payments contemplated by the Financing Agreement totaling \$18,130,050.00 rupees (approximately \$335,000.00 CAD) were due and payable before the Financing Agreement was provided to me for review. From a review of Annexure "B", these initial payments total 60% of the total Financing Investment that was to be provided by the Singapore Investor.
56. In reviewing the Financing Agreement, I have significant concerns that its terms, which were negotiated and agreed to by Mr. Vyas, without consultation with myself and Yasmin, are not in the best interests of Visions 20 or its majority shareholder, Yasmin, and could also negatively affect the rights of Ceana as the initial investor in the JL50 Film. I am advised by Counsel and do verily believe that Section 5.1.1 of the Financing Agreement "Apportionment of Profits" provides that the Singapore Investor is to receive a minimum of 35% of the net profit of the JL50 Film, adjusted on a sliding scale to a maximum of 50% of the profit. The remainder of the net profit is to be split 40% to Visions 20 and 10% to Ms. Anand personally. In that regard, the Financing Agreement provides as follows:

5.1.1 Appropriation of the Profits: Net Profits generated for the balance of the Term and Territory shall be shared by Producer [defined as Visions 20 and Ms. Anand] and Co-Producer [defined as the Singapore Investor] in the ratio of the Co-Producer's total contribution toward the Budget cost as stated in clause 1.1.2 to Actual Cost of Production. Provided however, that not less than 35% of the Net Profit shall be paid to the Co-Producer based on the ratio of the Co-Producer's total contribution towards the Budget cost; and provided further, that if the ratio of the Co-Producer's investment (towards the Budget cost) to the Actual cost of Production, is higher than 35%, then the Co-Producer shall be entitled to such higher proportion of the Net Profit, to a maximum of 50%. Producer A [defined as Visions 20] shall receive a minimum of 40% of the Net Profit and Producer B [defined as Ms. Anand] shall receive a minimum of 10% of the Net Profit, adjusted upwards pro-rata

between Producer A and Producer B in reverse proportion to the changes in Co-Producer's portion of the Net Profit.

57. Ms. Anand is not affiliated with Visions 20 as she is neither a shareholder, director or officer, nor has it ever been agreed that she would be entitled to a share of the revenue associated with the JL50 Film. Mr. Vyas had no authority to enter into any agreement that purports to offer Ms. Anand a share of the net revenue (or any other compensation) arising in relation to the JL50 Film and, given the spousal relationship as between Mr. Vyas and Ms. Anand, this equates to a gross conflict of interest. Any such payment would reduce the overall revenue of Visions 20 and, in turn, negatively impact the shareholders, including Yasmin who holds 60% of the voting shares.
58. Moreover, while JL50 Film has always been the exclusive property of Visions 20, the Financing Agreement gives the intellectual property rights to the film to the Singapore Investor. I am advised by Counsel and do verily believe the same to be true that Section 2.2 of the Financing Agreement asserts that all rights to the intellectual property and copy rights, title of the film, songs, recordings, dubbings in all languages, derivatives, and all other rights in the film and all performers rights (pursuant to the Copyright Act, 1957 (India) are to vest with the Singapore Investor in perpetuity, which is further described as 60 years.
59. I am further advised by Counsel and do verily believe that pursuant to Section 2.5 of the Financing Agreement, all further payments in relation to the JL50 Film, and any revenue subsequently generated from the film, are to be managed through an account operated exclusively by the Singapore Investor. The net revenue associated with the JL50 Film is to be distributed by the Singapore Investor to the interested parties, including Visions 20 and Ms. Anand, dependent on the ratio of net profit payable to the Singapore Investor, which ranges from 35% to 50%. In the result, Visions 20 will have limited means to objectively review and assess the monies received from the Singapore Investor or the proper allocation of the revenue generated.
60. I am advised by Counsel and do verily believe the same to be true, that the Financing Agreement referenced the date of January 31, 2019, as the date on which filming would recommence. Despite their assurances, Mr. Vyas and Ms. Anand did not advise me of the intention to begin shooting the remainder of the JL50 Film. I am concerned that Mr. Vyas and Ms. Anand have withheld pertinent information regarding the JL50 Film and are attempting to remove me from any decision-making associated with the JL50 Film. I am advised by Yasmin and do verily believe the same to be true that she has also not been advised of any decisions regarding the JL50 Film, including the dates for filming. I remain a director of Visions 20 and Yasmin remains the majority shareholder. I am advised by Counsel and do verily believe the same to be true that pursuant to the Settlement Agreement, Mr. Vyas only had authority to seek financing, and his authority does not extend to all decisions relating to Visions 20, including filming, post-production and marketing of the film. As a result, my signature, as director of Visions 20, is required for every decision moving forward, regardless of the Financing Agreement.
61. Further, I continue to be denied access to, and I am advised by my cousin and nephew in India, and do verily believe the same to be true that they are also being denied access to, the

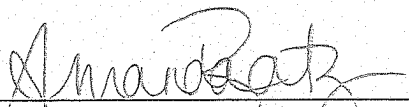


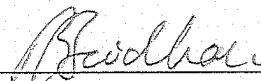
Axis Bank in Kolkata, India, the branch where the Visions 20 account was moved to, and over which Ms. Anand has power of attorney and signing authority. I continue to be denied access to information relating to this account, despite being a director of Visions 20, and requesting this information on behalf of Ceana, as financier, so as to be able to comply with Canada Revenue Agency's audit requirements regarding funds sent internationally.

62. I make this Affidavit in support of an Application for the relief as particularized in the Originating Application filed herewith, including but not limited to:

- a. The removal of Mr. Vyas as a director of Visions 20;
- b. A full accounting providing a reconciliation of the monies advanced for the JL50 Film project, including all financial and accounting documentation in support of same;
- c. Remedies in favor of the Applicants with respect to unfair and prejudicial conduct on the part of the Respondents pursuant to sections 241 and 242 of the *Business Corporations Act* (Alberta);
- d. The leave of this Honourable Court to commence a derivative action against the Respondents in the name of and on behalf of Visions 20 pursuant to sections 240 and 241 of the *Business Corporations Act* (Alberta); and
- e. Costs of the within Application on a full indemnity.

SWORN BEFORE ME at Calgary, Alberta,  
this 14<sup>th</sup> day of February 2019.

  
Commissioner for Oaths in and for the  
Province of Alberta

  
BAHADUR (BOB) GAIDHAR

AMANDA ZALUAROWITZ  
Barrister & Solicitor

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is effective this 24<sup>th</sup> day of September, 2016,

BETWEEN:

CEANA DEVELOPMENT INC.  
("Ceana")

and

RITIKA ANAND  
-AND-  
SHAILENDER VYAS  
-AND-  
VISION 10 PRODUCTIONS INC.  
(collectively, "Vision")

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

Bahadur Gaidhar

sworn before me this 4 day of February, 2019

Amanda Zalkmanowitz  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA

AMANDA ZALMANOWITZ  
PRINT NAME AND EXPIRY DATE OF COMMISSIONER/STUDENT-AT-LAW

### RECITALS:

- A. Vision intends to develop and produce a full length feature film known as JL50 (the "Project").
- B. Ceana intends to invest certain funds required by Vision to complete the Project.
- C. Ceana and Vision are entering into this Memorandum of Understanding, as a matter of expediency, to outline the general terms and conditions agreed to, with the full intent that the transaction shall be further documented as described herein.

NOW THEREFORE in consideration of the mutual terms and conditions hereinafter set forth, and other good and valuable consideration (the receipt and sufficiency is hereby acknowledged by each party), the parties hereto agree as follows:

1. The recitals above are incorporated into and form a part of this Memorandum.
2. Vision intends complete all aspects of the Project, including without limitation, creating a screenplay, hiring all actors and staff, production of the Project, marketing and distribution of the film.
3. Ceana intends to provide initial funding for the Project (the "Initial Funding"), in stages, as follows:
  - a. \$10,000 to be provided on or before the date hereof;
  - b. \$7,500 to be provided on or before October 15, 2016;
  - c. \$7,500 to be provided on or before November 15, 2016; and

- d. An amount up to \$10,000 to be provided as required in relation to the signing of actors between November 15, 2016 and March 31, 2017.
4. The Initial Funding will be secured by a demand promissory note, which shall specifically charge the real property owned by Vision and municipally located at 142 Hidden Valley Park NW, Calgary, Alberta, T3A 5M4 (the "**Property**") in the amount of \$35,000. The said promissory note shall be registered against the certificate of title for the Property by way of a caveat.
5. The Initial Funding shall be provided by Ceana to Vision for the purpose of initial due diligence and planning, as well as initial signing of required actors for the Project (the "**Initial Stage**"). Following the Initial Stage, Ceana shall have the right to evaluate the Project in its sole and absolute discretion in order to determine if Ceana wishes to continue to be involved with the Project. In the event that (i) the Project does not proceed past the Initial Stage for any reason whatsoever or (ii) following the Initial Stage Ceana determines that it does not wish to continue with the Project, then:
  - a. Vision shall repay the Initial Funding to Ceana within Thirty (30) days of notice thereof from Ceana, together with interest accruing at the rate of One (1%) percent per annum from the date that the funds were advanced by Ceana to the date of repayment in full in accordance with the above. In the event that Vision fails to repay the Initial Funding within such Thirty (30) day period, then interest shall thereafter accrue on the Initial Funding at a rate of Prime + 3% per annum until the Initial Funding is repaid in full; and
  - b. Ceana shall retain all right, title and interest in the Project, including any and all assets and contracts, any and all intellectual property and copyright until the Initial Funding is repaid in full. Upon repayment of the Initial Funding in full, all of the above-mentioned right, title and interest in the Project shall transfer to Vision.
6. In the event that both parties determine to proceed with the Project following the Initial Stage:
  - a. The parties shall formalize this Memorandum of Understanding into a formal agreement, incorporating the terms hereof and such other terms as are required to give effect to the transactions contemplated herein, to the satisfaction of both parties, acting reasonably;
  - b. The parties shall form a corporation (the "**Joint Venture Corporation**") in which Ceana shall hold Sixty (60%) of the issued and outstanding shares and Vision shall hold Forty (40%) of the issued and outstanding shares. Each party shall appoint one (1) director of the Joint Venture Corporation;
  - c. The Initial Funding shall be recorded on the books of the Joint Venture Corporation as a shareholder loan owing to Ceana;
  - d. Ceana shall contribute to the Project, as needed for the signing of actors, an amount not exceeding Three Hundred Thousand (\$300,000) Dollars (the "**Additional Funding**"). The Additional Funding shall be recorded against the books of the Joint Venture Corporation as a shareholder loan owing to Ceana;

- e. All right, title and interest in the Project, including any and all assets and contracts, any and all intellectual property and copyright shall be the sole property of the Joint Venture Corporation;
  - f. Vision shall be solely responsible for the management and completion of the Project to the reasonable satisfaction of Ceana, including any and all liability arising therefrom.
  - g. Upon completion of the Project, the Joint Venture Corporation shall first repay all outstanding shareholder loans. Thereafter, any and all profit shall be distributed in accordance with the shares of the Joint Venture Corporation.
  - h. In the event that the Project is not completed within Twenty-Four (24) Months of the date hereof, for any reason whatsoever:
    - i. Vision hereby expressly covenants and agrees to repay the Initial Funding and the Additional Funding to Ceana within Thirty (30) days of notice thereof from Ceana, together with interest accruing at the rate of One (1%) percent per annum from the date that the funds were advanced by Ceana to the date of repayment in full in accordance with the above. In the event that Vision fails to repay the Initial Funding and the Additional Funding within such Thirty (30) day period, then interest shall thereafter accrue on the Initial Funding and the Additional Funding at a rate of Prime +3% per annum until the Initial Funding and the Additional Funding are repaid in full; and
    - ii. From the time of notice referred to in Section 6(h)(i) above, all right, title and interest in the Project, including any and all assets and contracts, any and all intellectual property and copyright shall be the sole property of Ceana until such time as the Initial Funding and the Additional Funding have been repaid in full.
7. Any disputes arising under this Memorandum of Understanding shall be settled by binding arbitration pursuant to the *Arbitration Act* (Alberta).
8. The parties agree to act diligently and in good faith to fulfil the terms and conditions of this Memorandum of Understanding.

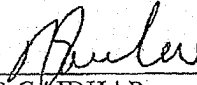
[Remainder of page intentionally left blank. Signature page to follow.]

9. This Memorandum of Understanding and any subsequent agreements pertaining to the subject matter hereof shall be governed by the Laws of the Province of Alberta and any disputes hereunder shall be settled in Alberta.

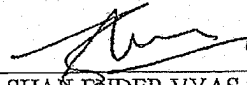
10. Time shall be of the essence hereof.

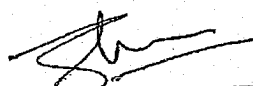
THE PARTIES HERETO have executed this Memorandum as of the date first written above.

**CEANA DEVELOPMENT INC.**

Per:   
Name: BAHADUR GAIDHAR  
Title: DIRECTOR

**VISION 10 PRODUCTIONS INC.**

Per:   
Name: SHAILENDER VYAS  
Title: DIRECTOR

Per:   
Name: SHAILENDER VYAS

Per:   
Name: RITIKA ANAND

# Government of Alberta ■ Corporation/Non-Profit Search

## Corporate Registration System

Date of Search: 2019/02/11  
Time of Search: 09:15 AM  
Search provided by: VERJEE & ASSOCIATES

Service Request Number: 30456658  
Customer Reference Number: 533539-2351

Corporate Access Number: 2011822232  
Legal Entity Name: CEANA DEVELOPMENT INC.

### Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
GEMCRAFT HOMES INC.	2013/04/12

Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2005/07/18 YYYY/MM/DD  
Date of Last Status Change: 2014/11/21 YYYY/MM/DD

### Registered Office:

Street: 20, 1915 23ND AVENUE NE  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2E 7C8

### Records Address:

Street: 20, 1915 23ND AVENUE NE  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2E 7C8

### Mailing Address:

This is Exhibit "B" referred to in the Affidavit of  
Bahadur Gaichar  
sworn before me this 14 day of February 2019  
Amanda Z  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA

PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW

AMANDA ZALMANOWITZ  
Barrister & Solicitor



**Post Office Box:** 20, 1915 23ND AVENUE NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7C8

**Directors:**

**Last Name:** GAIDHAR  
**First Name:** BOB  
**Street/Box Number:** 245111 MEADOWRIDGE RD  
**City:** CONRICH  
**Province:** ALBERTA  
**Postal Code:** T2M 4L5

**Voting Shareholders:**

**Last Name:** GAIDHAR  
**First Name:** BAHADOR  
**Street:** 245111 MEADOWRIDGE RD  
**City:** CONRICH  
**Province:** ALBERTA  
**Postal Code:** T2M 4L5  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

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

**Share Structure:** AS PER ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NO RESTRICTIONS  
 NO RESTRICTIONS

**Business Restricted****From:****Other Provisions:** AS PER ATTACHED SCHEDULE "B"**Holding Shares In:**

Legal Entity Name
CEANA DEVELOPMENT SUNRIDGE INC.

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

File Year	Date Filed (YYYY/MM/DD)
2018	2018/07/19

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2005/07/18	Incorporate Alberta Corporation
2013/04/12	Change Director / Shareholder
2013/04/12	Name Change Alberta Corporation
2014/09/02	Status Changed to Start for Failure to File Annual Returns
2017/01/25	Change Address
2018/07/19	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2005/07/18
Other Rules or Provisions	ELECTRONIC	2005/07/18

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







# Government of Alberta ■ Corporation/Non-Profit Search

## Corporate Registration System

Date of Search: 2018/02/28  
Time of Search: 08:31 AM  
Search provided by: VERJEE & ASSOCIATES

Service Request Number: 28565682  
Customer Reference Number:

Corporate Access Number: 2011104300  
Legal Entity Name: VISION 10 PRODUCTIONS INC.

### Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1110430 ALBERTA INC.	2008/04/19

Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2004/05/28 YYYY/MM/DD

### Registered Office:

Street: 142 HIDDEN VALLEY PK NW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T3A 5M4

### Records Address:

Street: 142 HIDDEN VALLEY PK NW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T3A 5M4

### Directors:

**Last Name:** ANAND  
**First Name:** RITIKA  
**Street/Box Number:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4

**Last Name:** VYAS  
**First Name:** SHAILENDER  
**Street/Box Number:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4

**Voting Shareholders:**

**Last Name:** ANAND  
**First Name:** RITIKA  
**Street:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4  
**Percent Of Voting Shares:** 45

**Last Name:** ANAND  
**First Name:** HARSH  
**Street:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4  
**Percent Of Voting Shares:** 5

**Last Name:** VYAS  
**First Name:** SHAILENDER  
**Street:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4  
**Percent Of Voting Shares:** 50



**Details From Current Articles:**

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

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO AND MADE A PART  
HEREOF

**Share Transfers  
Restrictions:** SEE SCHEDULE "B" ATTACHED HERETO AND MADE A PART  
HEREOF

**Min Number Of Directors:** 1

**Max Number Of  
Directors:** 10

**Business Restricted To:** NONE

**Business Restricted From:** NONE

**Other Provisions:** SEE SCHEDULE "C" ATTACHED HERETO AND MADE A PART  
HEREOF

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
VISION 10 PRODUCTIONS	TN13959044

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

File Year	Date Filed (YYYY/MM/DD)
2016	2016/09/23

**Outstanding Returns:**

Annual returns are outstanding for the 2017 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2004/05/28	Incorporate Alberta Corporation
2004/06/17	Change Address
2008/04/19	Name Change Alberta Corporation

2014/12/23	Change Director / Shareholder
2016/09/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2004/05/28
Restrictions on Share Transfers	ELECTRONIC	2004/05/28
Other Rules or Provisions	ELECTRONIC	2004/05/28
Letter - Spelling Error	10000704100329774	2004/12/22
Letter - Spelling Error	10000104100330129	2005/02/07

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



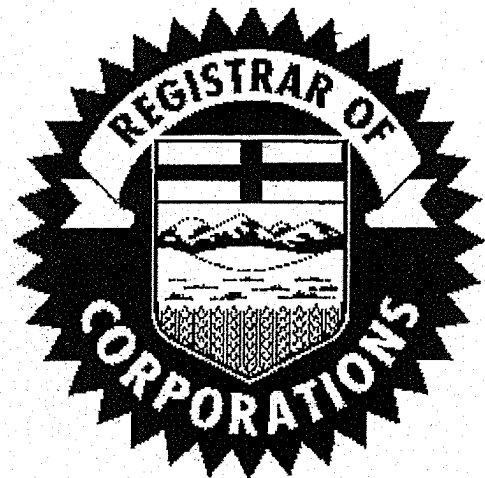
CORPORATE ACCESS NUMBER: 2011641848

**Government  
of Alberta** ■

**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
AMENDMENT**

**1164184 ALBERTA LTD.  
CHANGED ITS NAME TO VISIONS 20 ENTERTAINMENT INC. ON 2016/09/15.**



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

Bahadur Gaidnar

sworn before me this 14 day of February, 2019.

Aminda Zalmanowitz  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA

PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW  
AMANDA ZALMANOWITZ

Barrister & Solicitor

BUSINESS CORPORATIONS ACT (SECTION 19)  
ALBERTA CONSUMER AND CORPORATE AFFAIRS

**ARTICLES OF AMENDMENT**

1. Name of Corporation:

**1164184 ALBERTA LTD.**

2. Corporate Access Number:

**2011641848**

3. By special resolution of all the Shareholders of the Corporation and in accordance with Section 173(1)(a) of the Business Corporations Act, the following amendment is made:

Article 1 (Name of Corporation) is amended as per the attached Nuans to:

**VISIONS 20 ENTERTAINMENT INC.**

Date	Signature	Title
2016/09/15	Bahadur Gaidhar	Director

For Departmental Use Only

Filed:



# Name Change Alberta Corporation - Registration Statement

Alberta Amendment Date: 2016/09/15

Service Request Number: 25757787

Corporate Access Number: 2011641848

Legal Entity Name: 1164184 ALBERTA LTD.

French Equivalent Name:

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

New Legal Entity Name: VISIONS 20 ENTERTAINMENT INC.

New French Equivalent Name:

Nuans Number: 120060057

Nuans Date: 2016/09/14

French Nuans Number:

French Nuans Date:

Professional Endorsement Provided:

Future Dating Required:

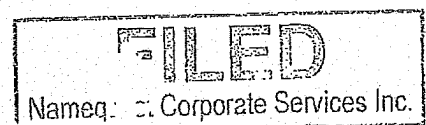
## Annual Return

File Year	Date Filed
2016	2016/03/30
2015	2015/08/18
2014	2014/06/27

## Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Other Rules or Provisions	ELECTRONIC	2005/04/13
Share Structure	ELECTRONIC	2005/04/13

Registration Authorized By: BAHADUR GAIDHAR  
SECRETARY



# Change Director / Shareholder - Proof of Filing

**Alberta Amendment Date: 2017/03/31**

Service Request Number: 26799137  
Corporate Access Number: 2011641848  
Legal Entity Name: VISIONS 20 ENTERTAINMENT INC.  
Legal Entity Status: Active  
Min Number Of Directors: 1  
Max Number Of Directors: 10

---

This confirms the Directors/Shareholders are amended/updated as of 2017/03/31

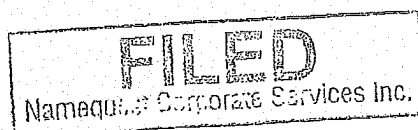
---

## Director / Shareholder

Status: Active  
Director / Shareholder Type: Director  
Individual / Legal Entity Type: Individual  
Last Name / Legal Entity Name: VYAS  
First Name: SHAILENDER  
Street/Box Number: 142 HIDDEN VALLEY PARK NW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T3A 5M4  
Appointment Date: 2016/09/15  
Resident Canadian: Y

Status: Active  
Director / Shareholder Type: Shareholder  
Individual / Legal Entity Type: Individual  
Last Name / Legal Entity Name: VYAS  
First Name: SHAILENDER  
Street/Box Number: 142 HIDDEN VALLEY PARK NE  
City: CALGARY  
Province: ALBERTA  
Postal Code: T3A 5M4  
Percent of Voting Shares: 40

Status: Inactive  
Director / Shareholder Type: Director  
Individual / Legal Entity Type: Individual  
Last Name / Legal Entity Name: CAMPBELL  
First Name: JODI





**Street/Box Number:** 3010, 205 - 5 AVENUE S.W.  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 2V7  
**Appointment Date:** 2005/04/13  
**Cessation Date:** 2005/04/13  
**Resident Canadian:** Y

**Status:** Active  
**Director / Shareholder Type:** Director  
**Individual / Legal Entity Type:** Individual  
**Last Name / Legal Entity Name:** GAIDHAR  
**First Name:** BOB  
**Street/Box Number:** 101, 3115 - 12TH STREET NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7J2  
**Appointment Date:** 2005/04/13  
**Resident Canadian:** Y

**Status:** Inactive  
**Director / Shareholder Type:** Shareholder  
**Individual / Legal Entity Type:** Individual  
**Last Name / Legal Entity Name:** GAIDHAR  
**First Name:** BAHADOR  
**Street/Box Number:** 101, 3115 - 12TH STREET NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7J2  
**Percent of Voting Shares:** 60

**Status:** Active  
**Director / Shareholder Type:** Shareholder  
**Individual / Legal Entity Type:** Individual  
**Last Name / Legal Entity Name:** GAIDHAR  
**First Name:** YASMIN  
**Street/Box Number:** 101, 3115 - 12TH STREET NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7J2  
**Percent of Voting Shares:** 60

Attachment Type	Microfilm Bar Code	Date Recorded
Other Rules or Provisions	ELECTRONIC	2005/04/13
Share Structure	ELECTRONIC	2005/04/13

Registration Authorized By: BOB GAIDHAR  
AGENT OF CORPORATION

**SPECIAL RESOLUTIONS OF THE SOLE DIRECTOR OF**

**1164184 ALBERTA LTD.**

BE IT RESOLVED THAT:

**1. TRANSFER OF SHARES**

- 1(a) The transfer of 40 of the 100 Class "A" Common voting shares of the Corporation held by Bob Gaidhar to Shailender Vyas is hereby approved;
- 1(b) The transfer of the remaining 60 Class "A" Common voting shares of the Corporation held by Bob Gaidhar to Yasmin B. Gaidhar is hereby approved; and that the Secretary of the Corporation record the transfers and issue new share certificates.


**2. RESIGNATION OF OFFICER**

The resignation of Bob Gaidhar as Secretary-Treasurer of the Corporation be accepted effective immediately is hereby approved.

**3. APPOINTMENT OF OFFICER**

The appointment of Shailender Vyas as Secretary-Treasurer of the Corporation effective immediately is hereby approved.

The foregoing resolutions are consented to in writing by the sole Director of the Corporation pursuant to Section 117 (1) of the Alberta Business Corporations Act, as evidenced by his signature below, effective the 15th day of September, 2016.

  
\_\_\_\_\_  
Bob Gaidhar

**VISIONS 20 ENTERTAINMENT INC.  
SHAREHOLDER REGISTER**

[illegible]

**Name:** Bob Gaidhar  
**Address:** 101, 3115 - 12th Street NE  
Calgary, Alberta T2E 7J2  
**Class:** "A" Voting Common

[illegible]

[illegible]



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

Date of Search: 2018/02/26  
Time of Search: 02:53 PM  
Search provided by: VERJEE & ASSOCIATES

Service Request Number: 28554316  
Customer Reference Number:

Corporate Access Number: 2011641848  
Legal Entity Name: VISIONS 20 ENTERTAINMENT INC.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1164184 ALBERTA LTD.	2016/09/15

Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2005/04/13 YYYY/MM/DD  
Date of Last Status Change: 2014/06/27 YYYY/MM/DD

## Registered Office:

Street: 245111 MEADOWRIDGE RD  
City: CONRICH  
Province: ALBERTA  
Postal Code: T2M 4L5

## Records Address:

Street: 245111 MEADOWRIDGE RD  
City: CONRICH  
Province: ALBERTA  
Postal Code: T2M 4L5

## Mailing Address:

This is Exhibit "D" referred to in the Affidavit of  
Bahadur Gaidhar  
sworn before me this 14 day of February, 2018  
Mandla Zaimanowitz  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA  
MANDLA ZAIMANOWITZ  
PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW  
Barrister & Solicitor

**Post Office Box:** SITE 6 RR 6 BOX 19  
**City:** CONRICH  
**Province:** ALBERTA  
**Postal Code:** T2M 4L5

**Directors:**

**Last Name:** GAIDHAR  
**First Name:** BOB  
**Street/Box Number:** 101, 3115 - 12TH STREET NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7J2

**Last Name:** VYAS  
**First Name:** SHAILENDER  
**Street/Box Number:** 142 HIDDEN VALLEY PARK NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4

**Voting Shareholders:**

**Last Name:** GAIDHAR  
**First Name:** YASMIN  
**Street:** 101, 3115 - 12TH STREET NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2E 7J2  
**Percent Of Voting Shares:** 60

**Last Name:** VYAS  
**First Name:** SHAILENDER  
**Street:** 142 HIDDEN VALLEY PARK NE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3A 5M4  
**Percent Of Voting Shares:** 40

**Details From Current Articles:**

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

**Share Structure:** SEE ATTACHED SCHEDULE 'A'

**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING

**Min Number Of Directors:** 1

**Max Number Of Directors:** 10

**Business Restricted To:** NO RESTRICTIONS

**Business Restricted From:** NO RESTRICTIONS

**Other Provisions:** SEE ATTACHED SCHEDULE 'B'

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

File Year	Date Filed (YYYY/MM/DD)
2017	2017/10/11

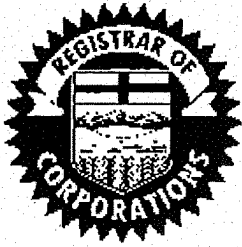
**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2005/04/13	Incorporate Alberta Corporation
2005/06/30	Change Address
2014/06/02	Status Changed to Start for Failure to File Annual Returns
2016/09/15	Name Change Alberta Corporation
2016/09/15	Service Provider Correct Legal Entity
2017/03/31	Change Director / Shareholder
2017/10/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2005/04/13
Other Rules or Provisions	ELECTRONIC	2005/04/13

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



# Government of Alberta ■ Corporation/Non-Profit Search

## Corporate Registration System

Date of Search: 2018/02/26  
Time of Search: 02:20 PM  
Search provided by: VERJEE & ASSOCIATES

Service Request Number: 28553726  
Customer Reference Number:

Corporate Access Number: 2020308363

Legal Entity Name: BOLLYWOOD ENTERTAINMENT PRODUCTIONS INC.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2017/03/17 YYYY/MM/DD

### Registered Office:

Street: #101, 3115 - 12TH STREET NE  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2E 7J2

### Records Address:

Street: #101, 3115 - 12TH STREET NE  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2E 7J2

### Directors:

Last Name: GAIDHAR  
First Name: YASMIN  
Street/Box Number: #101, 3115 - 12TH STREET NE  
City: CALGARY  
Province: ALBERTA

This is Exhibit "E" referred to in the Affidavit of  
Bahadur Gaidhar  
sworn before me this 14 day of February, 2018  
Amanda Ratz  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA  
AMANDA ZALMANOWITZ  
Barrister & Solicitor  
PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW

Postal Code: T2E 7J2

### Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** AS PER ATTACHED SCHEDULE "A"

**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING.

**Min Number Of Directors:** 1

**Max Number Of Directors:** 10

**Business Restricted To:** NO RESTRICTIONS

**Business Restricted From:** NO RESTRICTIONS

**Other Provisions:** AS PER ATTACHED SCHEDULE "B"

### Other Information:

#### Filing History:

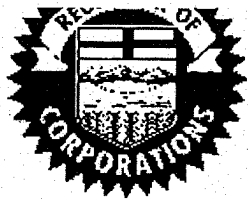
List Date (YYYY/MM/DD)	Type of Filing
2017/03/17	Incorporate Alberta Corporation

#### Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2017/03/17
Other Rules or Provisions	ELECTRONIC	2017/03/17

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.







## Program Overview

The Alberta Production Grant provides support for the production of screen-based content.  
Please click [here](#) for program guidelines and information.

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

Bahadur Gaidhar

sworn before me this 14 day of February, 2019.

Amanda Zalkanowitz  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA

AMANDA ZALKANOWITZ

Barrie J. Schiller  
PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW

## Contact List

**Primary Contact Name:** Mrs. Yasmin B Gaidhar

(This is the person we will call for project information.)

**Signing Authority Contact:** Mrs. Yasmin B Gaidhar

(This is the legal/financial signing authority for the organization.)

**Note:**

If contacts do not appear in the list, then an update must be made to the Contact List in the Applicant Profile.

Contact Name	Phone Number
Mrs. Yasmin B Gaidhar	403-888-9955

## Contact

**Salutation:** Mrs.

**First Name:** Yasmin B

**Last Name:** Gaidhar

**Phone Number:** 403-888-9955

**Email Address:** yasmingaidhar@gmail.com

**Applicant:** VISIONS 20 ENTERTAINMENT INC.  
**Project:** JL 50

APP-72675935  
CI-AP-055738

---

## **Contact**

**Salutation:**

**First Name:**

**Last Name:**

**Phone Number:**

**Email Address:**

## Applicant Information

Date Received: 2017/03/31

Updates to this information will not be reflected in the Applicant Profile.  
Update Applicant Profile if required.

### Applicant Address

Address Line 1: 245111 Meadowridge Road

Address Line 2:

Address Line 3:

City: Conrich

Province: Alberta

Postal Code: T2M 4L5

Country: Canada

### Mailing / Delivery Address

Please ensure that the mailing address is correct for this application.

Address Line 1: 245111 Meadowridge Road

Address Line 2:

Address Line 3:

City: Conrich

Province: Alberta

Postal Code: T2M 4L5

Country: Canada

**Parent Company Information****Are you a Parent Company?****Co-Production****Is this a Co-Production?** No**Shareholder Information**

Name	% Ownership
Yasmin B Gaidhar	60.00%
Shailender Vyas	40.00%

## Shareholder Information

**Name:** Yasmin B Gaidhar

**Address Line 1:** 245111 Meadowridge Road

**Address Line 2:**

**City:** Conrich

**Province:** Alberta

**Postal Code:** T2M 4L5

**% Ownership:** 60.00%

## Shareholder Information

**Name:** Shailender Vyas

**Address Line 1:** 142 Hidden Valley Park NW

**Address Line 2:**

**City:** Calgary

**Province:** Alberta

**Postal Code:** T3A 5M4

**% Ownership:** 40.00%



## Shareholder Information

**Name:**

**Address Line 1:**

**Address Line 2:**

**City:**

**Province:**

**Postal Code:**

**% Ownership:**

## Project Information

Platform: Film  
Production Type: Feature/One-off  
Genre: Drama  
Medium: Digital Medium  
Broadcast Length (minutes): 120.00  
  
Do you have a Commercial License Agreement? Yes  
Licensor Name: Nirmal Shree Films  
License Value: \$1,000,000.00  
  
Project Air/Release Date:  
Pre-Production Start Date: 2017/04/20  
Pre-Production End Date: 2017/07/01

## Production Information

Principal Photography Start Date: 2017/07/05  
  
Total Number of Shoot Days: 44.00  
(Enter zero if not applicable)  
  
Number of Alberta Shoot Days: 0.00  
(Enter zero if not applicable)  
Total Number of Digital Production Hours: 440.00  
(Enter zero if not applicable)  
  
Number of Alberta Digital Production Hours:  
(Enter zero if not applicable)

**Principal Photography End Date:** 2017/08/31

**Post-Production Start Date:** 2017/09/12

**Post-Production End Date:** 2017/12/12

**Projected Date of Final Deliverables:** 2018/03/14

**Primary Shooting Location:** Other

**Shoot Location(s):** Kolkata, Kolakham, Mumbai in India

**Synopsis:**

**(Maximum 1000 characters)**

Shantanu, a young CBI investigator, is handed the case of flight AO 26, which has gone missing with 8 delegates in it, after take off from Kolkata. It seems like an open and shut case when Shantanu receives information of a plane crash that has simultaneously taken place in Neora Valley near Kolakham, West Bengal. He is convinced that this is flight AO 26 as there is no other flight missing. However, things take a unexpected turn, when Shantanu reaches the crash site, only to find out that the crashed plane is not flight AO 26. In fact, this is flight JL 50, that went missing from Kolkata 35 years ago. Will Shantanu find the logic behind this unbelievable scenario, or, is this a set up of some kind with many unsolved threads leading to a single conspiracy?

## Head of Department Positions

Trainee	Position	Department	Albertan?	First Name	Last Name	City	Province	Postal Code
No	Writer		Yes	Shailender	Vyas	Calgary	Alberta	T3A 5M4
No	Director		Yes	Shailender	Vyas	Calgary	Alberta	T3A 5M4
No	Production Manager		Yes	Voytek	Jarmula	Calgary	Alberta	T2M 0T3
No	Editor		Yes	Jaimie	Stewart	Calgary	Alberta	T3A 5B2
No	Director of Photo...		Yes	Bradley	Stuckel	Vancouver	British Columbia	V6K 0B2
No	Key Hair		Yes	Jaikaran	Dhatt	Lethbridge	Alberta	T1H 1Y1
No	Key Makeup		Yes	Jessica	Parmar	Lethbridge	Alberta	T1H 1Y1
No	Visual Effects Ar...		Yes	Sandeep	Sahota	Calgary	Alberta	T2X 0T5
No	1st Performer in ...		Yes	Ritika	Anand	Calgary	Alberta	T3A 5M4

## Head of Department Positions

Trainee? No

Position: Writer

Albertan? Yes

Title: Mr.

First Name: Shailender

Last Name: Vyas

Address Line 1: 142 Hidden Valley Park NW

Address Line 2:

City: Calgary

Province: Alberta

Postal Code: T3A 5M4

## Head of Department Positions

Trainee? No

Position: Director

Albertan? Yes

Title: Mr.

First Name: Shailender

Last Name: Vyas

Address Line 1: 142 Hidden Valley Park NW

Address Line 2:

City: Calgary

Province: Alberta  
Postal Code: T3A 5M4

## Head of Department Positions

Trainee? No

Position: Production Manager  
Albertan? Yes

Title: Mr.  
First Name: Voytek  
Last Name: Jarmula

Address Line 1: 308 18th AVE NW  
Address Line 2:  
City: Calgary  
Province: Alberta  
Postal Code: T2M 0T3

## Head of Department Positions

Trainee? No

Position: Editor  
Albertan? Yes

Title: Mr.  
First Name: Jaimie  
Last Name: Stewart

**Address Line 1:** 113 Hamptons Grove NW  
**Address Line 2:**  
**City:** Calgary  
**Province:** Alberta  
**Postal Code:** T3A 5B2

## Head of Department Positions

**Trainee?** No

**Position:** Director of Photography (DOP)  
**Albertan?** Yes

**Title:** Mr.  
**First Name:** Bradley  
**Last Name:** Stuckel

**Address Line 1:** 317-2268 W Broadway  
**Address Line 2:**  
**City:** Vancouver  
**Province:** British Columbia  
**Postal Code:** V6K 0B2

## Head of Department Positions

**Trainee?** No

**Position:** Key Hair  
**Albertan?** Yes



**Title:** Mr.  
**First Name:** Jaikaran  
**Last Name:** Dhatt

**Address Line 1:** 346 Kodiak Blvd North  
**Address Line 2:**  
**City:** Lethbridge  
**Province:** Alberta  
**Postal Code:** T1H 1Y1

## Head of Department Positions

**Trainee?** No

**Position:** Key Makeup  
**Albertan?** Yes

**Title:** Mrs.  
**First Name:** Jessica  
**Last Name:** Parmar

**Address Line 1:** 346 Kodiak Blvd North  
**Address Line 2:**  
**City:** Lethbridge  
**Province:** Alberta  
**Postal Code:** T1H 1Y1

## Head of Department Positions

**Trainee?** No

**Position:** Visual Effects Artist  
**Albertan?** Yes

**Title:** Mr.  
**First Name:** Sandeep  
**Last Name:** Sahota

**Address Line 1:** 65 Chapparral Valley Park SE  
**Address Line 2:**  
**City:** Calgary  
**Province:** Alberta  
**Postal Code:** T2X 0T5

## Head of Department Positions

**Trainee?** No

**Position:** 1st Performer in lead or supporting role  
**Albertan?** Yes

**Title:** Mrs.  
**First Name:** Ritika  
**Last Name:** Anand

**Address Line 1:** 142 Hidden Valley Park NW  
**Address Line 2:**  
**City:** Calgary  
**Province:** Alberta  
**Postal Code:** T3A 5M4

## Head of Department Positions

Trainee?  
Albertan?

Title:  
First Name:  
Last Name:

Address Line 1:  
Address Line 2:  
City:  
Province:  
Postal Code:

## Budget

NUMBER	CATEGORY	TOTAL COST	NON-ALBERTA COSTS	ALBERTA COSTS
A	SCENARIO COSTS TOTAL	\$0.00	\$0.00	\$0.00
B	DEVELOPMENT COSTS TOTAL	\$35,000.00	\$0.00	\$35,000.00
C	PRODUCER/DIRECTOR/STARS COSTS TOTAL	\$930,000.00	\$430,000.00	\$500,000.00
D	CAST/EXTRAS TOTAL	\$117,000.00	\$117,000.00	\$0.00
E	PRODUCTION COSTS TOTAL	\$962,400.00	\$271,000.00	\$691,400.00
F	POST PRODUCTION COSTS TOTAL	\$302,500.00	\$0.00	\$302,500.00
G	OTHER COSTS TOTAL	\$153,000.00	\$15,000.00	\$138,000.00
GRAND TOTAL:		\$2,499,900.00	\$833,000.00	\$1,666,900.00

## Funding Stream

The Alberta Production Grant provides support for the production of screen-based content. Please click [here](#) for program guidelines and information.

**Funding Stream:** Stream 1 - Indigenous/Co-Production (50-100% Albertan Ownership)

**Stream 1:** 30% (30 consecutive shoot days or 300 person hours)

**Eligible Amount:** \$500,070

## Financing Structure

Total Budget: \$2,499,900.00

Please include projected AMF Grant Amount:

Funding Source	Funding Amount	% Percentage of Funding
Alberta Production Grant	\$500,070.00	20.00%
Ceana Development Inc	\$2,000,000.00	80.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
Totals:	\$2,500,070.00	100.00%

## Attachments

Document Type	Required?	Document Description	Date Attached
01. Certificate of Incorporation	Yes	Incorporation Cer...	2017/03/31
02. Proof of Filing	Yes	Proof of Filing	2017/03/31
03. Co-production Agreement	No		
04. Chain of Title Documentation	Yes	Chain of Title	2017/03/31
05. Commercial License Agreement	Yes	Commercial Licens...	2017/03/31
06. Evidence of Confirmed Financing	Yes	Evidence of Confi...	2017/03/31
07. Production Insurance	Yes	Insurance Letter ...	2017/03/31
08. Eligible Cost Worksheet	Yes	Eligible Alberta ...	2017/03/31
09. Production Schedule with Dates	Yes	Production Schedule	2017/03/31
10. Other Attachment 1	No		
11. Other Attachment 2	No		
12. Other Attachment 3	No		

## **Attachment Details**

Document Description: Incorporation Certificate

## **Attachment Details**

Document Description: Proof of Filing

## **Attachment Details**

Document Description:

## **Attachment Details**

Document Description: Chain of Title

## **Attachment Details**

Document Description: Commercial License Agreement

## **Attachment Details**

Document Description: Evidence of Confirmed Finance

## **Attachment Details**



**Document Description:** Insurance Letter of Intent

**Attachment Details**

**Document Description:** Eligible Alberta Cost Worksheet

**Attachment Details**

**Document Description:** Production Schedule

**Attachment Details**

**Document Description:**

**Attachment Details**

**Document Description:**

**Attachment Details**

**Document Description:**

# Attachment Details

**Document Description:**

**Declaration Formlet**

**Visions 20 Entertainment Inc.**

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**Incorporated (Legal) Name of Applicant Organization ("Organization")**

**The Organization declares that:**

1. The information contained in its application and supporting documents ("Application") is true and accurate and endorsed by the Organization.

2. The required financial statement(s) for the applicable fiscal period(s) are true copies and have been attached to and form part of the Application.

The Organization understands and agrees that should this Application be approved, any grant funding awarded is subject to the Organization complying with the terms and conditions of this Agreement.

1. The program Guidelines ("Guidelines") and Application form part of this Agreement and following receipt of grant funding, the Organization agrees to be bound by the requirements set out in them, including, but not limited to, the progress and final report requirements.

2. The Organization will use all grant funding awarded ("Grant") for the stated purpose(s) ("Purpose") within its Application. If the organization wishes to vary the Purpose, it agrees to be bound by the requirements set out in the program Guidelines.

3. The Organization must comply with all applicable laws. The Organization agrees that it is and will be bound by the provisions of the Community Development Grant Regulation.

4. This Agreement commences the date of the application and binds both parties upon deposit of the Grant until the date the Grant reporting has been approved by the Ministry or the Grant has been repaid.

5. The Grant may be terminated upon:

- a. mutual consent;
- b. 30 days written notice by either party;
- c. demand by the Ministry for immediate repayment in the event of a breach of any term or condition; or
- d. if the Organization becomes insolvent.

6. Any part of the Grant not spent as set out in the Guidelines or upon termination of this Agreement must be repaid to the Minister of Finance and Enterprise.

7. The Organization acknowledges that it will be liable for the full amount of the Grant and will be bound to the terms of this Agreement, even if the Organization has paid all or part of the Grant to a third party who has spent the money.

8. The Organization agrees to give the Ministry access to examine the Organization's operation and/or premises to verify the Grant has been used for the Purpose and will provide access to all financial statements and records having any connection with the Grant or the Purpose during the Term of this Agreement and for seven (7) years after the termination of this Agreement.

9. The Organization acknowledges that the Freedom of Information and Protection of Privacy Act (FOIP) applies to records submitted by the Organization to the Ministry in relation to the grant application, including the Application and this Agreement. These records may be disclosed in response to an access to information request under the FOIP Act, subject to any applicable exceptions to disclosure under the Act.

10. The Organization agrees that any information relating to the Grant and the Organization's compliance with the obligations set out in this Agreement may be disclosed to other ministries within the Government of Alberta.

11. The Organization agrees to indemnify and hold harmless the Government of Alberta, including the Minister, the Government of Alberta employees and agents from any and all claims demands, actions and costs (including legal costs on a solicitor-client basis) for which the Organization is legally responsible, including those arising out of negligence or willful acts by the Organization or its employees or agents. Such indemnification shall survive the termination of this Agreement.

12. This Agreement shall be governed and interpreted in accordance with the laws in force in the Province of Alberta.

13. This Agreement is not intended to and does not make either party the agent or partner of the other for any purpose or create a joint venture.
14. This Agreement may not be assigned by the Organization.
15. The Organization will recognize the source of the Grant as required by the Guidelines.

**Authorized Official (legal signing authority):**

**Name:** Yasmin B Gaidhar

**Position held:** Director/Shareholder

**Legal Name of Organization:** Visions 20 Entertainment Inc.

**Declaration:**

I have examined the information provided in this application and certify it to be true and accurate. I am duly authorized to make this application in the Province of Alberta and have sufficient legal authority to bind the organization to the terms and conditions of the contents of this declaration and the grant guidelines.

**Indicate that you agree to the statement  
above:**

☒

## Submission Summary

Page	Last Updated
Program Overview	No Input Required
Contact List	No Input Required
Applicant Information	2017/03/31
Project Information	2017/03/31
Head of Department Positions	2017/03/31
Financing Structure	2017/03/31
Attachments	2017/03/31
Declaration Formlet	2017/03/31

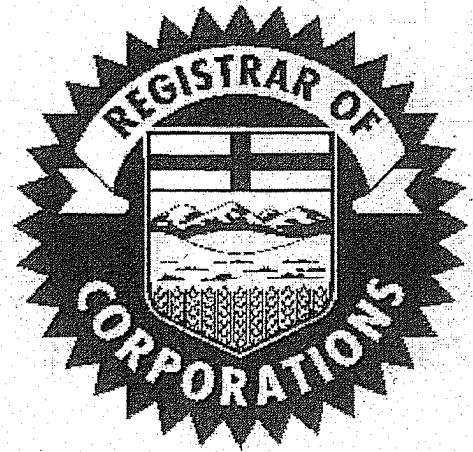
CORPORATE ACCESS NUMBER: 2011641848



BUSINESS CORPORATIONS ACT

**CERTIFICATE  
OF  
INCORPORATION**

**1164184 ALBERTA LTD.  
WAS INCORPORATED IN ALBERTA ON 2005/04/13.**



This is to certify that this is an original  
Certificate produced by Namequest  
of Namequest Corporate Services Inc.  
who is an accredited user of the  
Corporate Registry system.



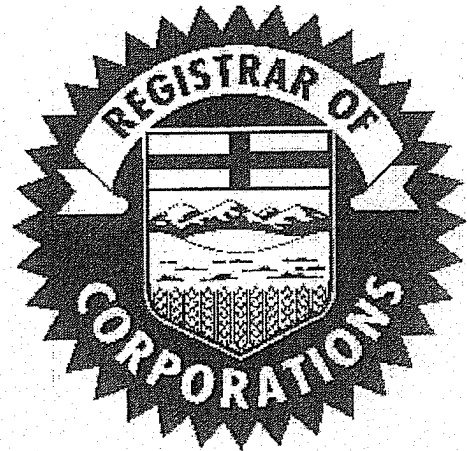
CORPORATE ACCESS NUMBER: 2011641848

**Government  
of Alberta ■**

**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
AMENDMENT**

**1164184 ALBERTA LTD.  
CHANGED ITS NAME TO VISIONS 20 ENTERTAINMENT INC. ON 2016/09/15.**



# Annual Returns for Alberta and Extra-Provincial Corp. - Proof of Filing

**Alberta Amendment Date: 2016/03/30**

Service Request Number: 24894023  
Corporate Access Number: 2011641848  
Legal Entity Name: 1164184 ALBERTA LTD.  
Legal Entity Type: Alberta Business Corporation  
Legal Entity Status: Active  
Registration Date: 2005/04/13

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This confirms the Annual Return for 2016 has been filed as of 2016/03/30.

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## Director / Shareholder

Status: Active  
Relationship to Legal Entity: Director  
Individual / Legal Entity Type: Individual  
Appointment Date: 2005/04/13  
Last Name / Legal Entity Name: GAIDHAR  
First Name: BOB  
Street / Box Number: SITE 6 RR 6 BOX 19  
City: CONRICH  
Province: ALBERTA  
Postal Code: T2M 4L5  
Resident Canadian: Y

Status: Active  
Relationship to Legal Entity: Shareholder  
Individual / Legal Entity Type: Individual  
Last Name / Legal Entity Name: GAIDHAR  
First Name: BAHADOR  
Street / Box Number: SITE 6 RR 6 BOX 19  
City: CONRICH  
Province: ALBERTA  
Postal Code: T2M 4L5  
Percent Of Voting Shares: 100

3/30/2016

Date: March 30, 2017

To whom this may concern

This is to confirm that I, Shailender Vyas, as writer of script and screenplay titled 'JL 50' and as one of the directors of Visions 20 Entertainment Inc, have transferred all rights pertaining to the production and exploitation of the Script, screenplay and title of 'JL50' to Visions 20 Entertainment Inc.

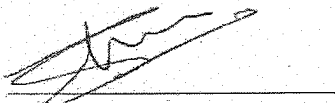
This is to further confirm that currently all rights of the script, screenplay and title of 'JL 50' are held with Visions 20 Entertainment Inc, business address at 245111 Meadowridge Road, Conrich, Alberta, T2M 4L5.

My address is 142 Hidden Valley Park NW, Calgary, AB, T3A 5M4.

I can be reached via phone at (403) 703-0844 or via email at [shailvyas14@gmail.com](mailto:shailvyas14@gmail.com) for any questions.

Thank You

Sincerely,



Shailender Vyas, Director  
Visions 20 Entertainment Inc.



Agreement made and entered into as of the 2nd of February, 2017 by and between Nirmal Shree Films, ("Distributor"), who is in the business of Motion Picture Distribution and conducting business from 702-Palms II, Royal Palms Estate, Aarey Milk Colony, Goregaon (East), Mumbai- 400063, Maharashtra, India; and Visions 20 Entertainment Inc, ("Producer"), who is in the business of Motion Picture Production and conducting business from 245111 Meadowridge Road, Conrich, T2M 4L5, Alberta, Canada. In consideration of their respective covenants, warranties and representations, together with other good and valuable consideration, Distributor and Producer hereby agree as follow:

1. PICTURE: Producer will deliver to Distributor the documentation, advertising and physical materials (the "Materials") set forth in the attached Delivery Schedule, relating to the digital Project, currently entitled:

"JL 50" (the "Picture")

## 2. RIGHTS GRANTED:

a) Producer hereby grants to Distributor the irrevocable, right, title and interest in and to the distribution of the Picture, its sound, and music in the territory (as hereinafter defined) including without limitation, the sole, exclusive, and irrevocable right and privilege, to distribute, license and otherwise exploit the Picture, its image, sound and music, for the term (as hereinafter defined) throughout the territory (as hereinafter defined) for Theatrical Distribution.

Such rights do not include the rights to produce other motion Pictures, or sequels, or remakes of the Picture or any right to produce television series, mini series, or programs or other so-called ancillary rights (herein called "Reserved Rights").

Without limiting the generality of the foregoing, or any other rights granted to Distributor elsewhere in this agreement, Producer hereby grants to Distributor the following rights:

- Theatrical Rights: All rights in and to the manufacture, distribution, exhibition, marketing and other exploitation of the Picture its sound and music, by and relating to the projection of visual images contained on digital Cinema package of any size or kind in movie theatres, (herein the "Theatrical Rights") throughout the territory for the term.

b) Advertising: Distributor shall have the exclusive right throughout the territory during the Term to advertise and publicize the Picture by any and all means, media and method whatsoever, including, by means of the distribution, exhibition, broadcasting and telecasting of trailers of the Picture, or excerpts from the Picture prepared by Distributor, subject to any customary restrictions upon and obligations with respect to such rights as are provided for in the contracts in relation to the production of the Picture.

c) Title: Distributor shall have the right to use the present title of the Picture, unless otherwise changed by the Producer(s).

d) Editing:

- Distributor in its discretion will have the right to: incorporate into the Picture preceding and/or following the main and end titles of the Picture and Trailers thereof, and in all advertising and publicity relating thereto, in such manner, position, form and substance as Distributor may elect, Distributor's trademark, logo and presentation announcement, and the designation of Distributor as the distributor of the Picture in the Territory; any re-edit of the credit sequence will be at Distributor's expense.
- Distributor's right to edit hereunder specifically exclude the rights to make alterations whatsoever to the original Digital print and the Video Master of the Picture, to which Distributor shall have lab access (irrevocable for the term of this Agreement) for duplication purposes only.
- Distributor hereby indemnifies Producer for any losses incurred as a result of any liability arising from Distributor's editing, adding, or changing material in the Picture.

e) No Further Rights: This agreement confers no right on the part of the Producer to use, or authorize others to use the Picture or any of the rights granted to Distributor, within the Territory, which is not authorized by the Distributor hereunder, except Producer shall have the right to exhibit the Picture in festivals, industry screenings and screenings for non-profit and/or educational purposes.

3. RESERVED RIGHTS: All other rights not expressly written herein, including but not limited to, International theatrical (Canada, USA, UK, Australia, Pakistan and UAE), all satellite, VOD/PPV, electronic publishing, print publication, music publishing, live-television, radio, dramatic and all other rights are reserved to the Producer(s).

4. TERRITORY: The territory (herein "Territory") for which rights are granted to Distributor consists of all India (in all languages and in all formats).

5. TERM: The rights granted to Distributor under this Agreement will commence on the date of Delivery of the Picture as described in 12(a) of this agreement and continue thereafter for two years (the "Initial Term"). If Distributor pays Producer the Indian Rupee equivalent of CAD \$1,000,000 or more in the Initial Term, Distributor shall automatically have the right to extend the term for another two year term ("a Subsequent Term"). During this Subsequent Term (and additional subsequent terms if extended), Distributor shall have the option of extending the term for additional two year periods (up to a total term of no more than ten years) if the following thresholds are met:

Initial Term: If the Indian Rupee equivalent of CAD \$1,000,000 has been paid to Producer, then Distributor may extend the term for another two years (the First Extended Term).

First Extended Term: If the Indian Rupee equivalent of CAD \$1,500,000 cumulatively has been paid to Producer during the Initial and First Extended Term, then Distributor may extend the term another two years (Second Extended Term).

Second Extended Term: If the Indian Rupee equivalent of CAD \$1,750,000 cumulatively has been paid to Producer during the Initial, First and Second Extended Term, then Distributor may extend the term for another two years (the Third Extended Term).

Third Extended Term: If the Indian Rupee equivalent of CAD \$1,900,000 cumulatively has been paid to Producer during the Initial, and First through Third Extended Term, then Distributor may extend the term for another two years (the Fourth Extended Term).

The Indian Rupee equivalent will depend on the rate of exchange on the date of remittance.

6. ADVERTISING: Distributor will consult in good faith with Producer on marketing plans before any artwork is commissioned and the marketing campaign has begun. Producer will supply to Distributor advertising and marketing materials as set forth on the attached delivery schedule "Exhibit A."

#### 7. COPYRIGHT:

a) Producer represents and warrants that the Picture is, and will be throughout the Term, protected by copyright. Each copy of the Picture will contain a copyright notice conforming to and complying with the requirements of the Copyright Act of Canada as amended from time to time.

#### 8. PRODUCTION COSTS:

a) As between Producer and Distributor: Producer is and will be responsible for and has paid or will pay all production costs, taxes, fees and charges with respect to the Picture and/or the Materials except as provided herein. As used herein, "production costs" will include all costs incurred in connection with the production of the Picture and the Materials, including payments to writers, producers, directors, artists, and all other persons rendering services in connection with the Picture and/or the materials, all costs and expenses incurred in acquiring rights to use music in connection with the Picture, including synchronization, performance and mechanical reproduction fees and union residuals.

9. PRODUCER'S REPRESENTATION AND WARRANTIES: Producer warrants and represents to Distributor, to the best of Producer's knowledge and belief, as follows:



a) Producer has full right, power and authority to enter into and perform this Agreement and to grant to Distributor all of the rights herein granted and agreed to be granted to Distributor.

b) Producer has acquired, or will have acquired prior to the delivery of the Picture hereunder, and will maintain during the term all rights in and to the literary and musical material upon which the Picture is based or which are used therein and any other rights necessary and required for the exploitation of the Picture, as permitted hereunder.

c) Neither the Picture nor the Materials nor any part thereof, nor any literary, dramatic or musical works or any other materials contained therein or synchronized therewith, nor the exercise of any right, license or privilege herein granted, violates or will violate, or infringes or will infringe, any trademark, trade name, contract, agreement, copyright, (whether common law or statutory), patent literary, artistic, dramatic, personal, private, civil, or property right or right of privacy or "moral right of author", or any law or regulation or other right whatsoever of, or slanders or libels, any person, firm, corporation or association.

d) Producer has not sold, assigned, transferred or conveyed and will not sell, assign, transfer or convey, to any party, any right, title or interest in and to the Picture or any part thereof, or in and to the dramatic, musical or literary material upon which it is based, adverse to or derogatory of or which would interfere with the rights granted to Distributor, and has not and will not authorize any other party to exercise any right or take any action which will derogate from the rights herein granted or purported to be granted to Distributor.

e) Producer will obtain and maintain all necessary licenses for the production, exhibition, performance, distribution, marketing and exploitation of the Picture and/or the Materials, including, without limitation, the synchronization and performance of all music contained therein, throughout the Territory during the term for any and all purposes contemplated hereunder. Producer further represents and warrants that as between the Producer and Distributor, the performing rights to all musical compositions contained in the Picture and/or the Materials will be controlled by Producer to the extent required for the purposes of the Agreement and, that no payments will be required to be made by Distributor to any third party for the use of such music in the Materials or on television embodying the Picture or, if any such music payments are required, Producer will be solely responsible therefor.

f) Producer represents and warrants all artists, actors, musicians and persons rendering services in connection with the production of the Picture or the materials have been or will be paid by Producer or his co-producers(s), the sums required to be paid to them under applicable agreements, and the sums required to be paid pursuant to any applicable pension or similar trusts required thereby will be made by Producer, in a due and timely manner.

g) It is understood that the Producer has not obtained errors and omissions insurance. However, if demand is made by the distributor, for a certificate of errors and omissions insurance as indicated above, Distributor will advance such cost and recoup the expense from Gross receipts. Producer shall be added as an additional named insured on any E & O policy.

h) The Picture will be shot on Digital format. The Picture (when available) will have a running time of approximately 120 minutes. It is understood that the Picture has not received or applied for a Censorship certificate. If and when it becomes necessary to receive a censorship certificate, Producer shall promptly perform any and all additional editing necessary in order to secure the said censorship certificate. The expense of securing of such a censorship certificate shall be advanced by Distributor and recouped from Gross receipts.

\* At the time of delivery of the Picture to Distributor, the Picture will not have been exhibited anywhere in the Territory for commercial reasons, with the exception of festivals or industry screenings.

#### 10. DISTRIBUTOR'S WARRANTIES:

a) Distributor warrants that it is solvent and not in danger of bankruptcy. Distributor has the authority to enter into this agreement and to the best of Distributor's knowledge and belief, will be no claims, actions, suits, arbitrations, or other proceedings or investigations pending or threatened against or affecting the Distributors ability to fulfil its obligations under this agreement, at law or in equity, or before any federal, state, county, municipal or other governmental instrumentality or authority, domestic or foreign. Distributor warrants that all payments from Distributor will be by check, wire transfer, letter of credit or money order payable in the name of Producer. If cash is accepted, a copy of this license agreement with the amount of the deposit will be sent to Producer. Distributor further warrants that Distributor will not accept any other consideration, whether cash, discounts on Distributions for other Motion Pictures, favours of any kind, or any other form of consideration, unless such consideration is approved by Producer.

11. INDEMNITY: Each party hereby agrees to defend, indemnify and hold harmless the other (and its respective successors, assigns, distributors, officers, directors, employees and representatives) against and for any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees and court costs) arising from or related to any breach by the indemnifying party of any of its undertakings, representations or warranties under this Agreement, and/or arising from or related to any and all third party claims which, if proven, would be such breach. Each party agrees to notify the other in writing of any and all claims to which this indemnity will apply, and to afford the indemnifying party the opportunity to undertake the defence of such claim(s) with counsel approved by the indemnified party (which approval will not be unreasonably withheld), subject to the right of the indemnified party to participate in such defence at its cost. In no event shall any such claim be settled in such a way as which would adversely affect the rights of the indemnified party in the Picture without

such party's prior written consent; provided, however, that Producer hereby consents to any settlement entered into under any of the following circumstances: (i) the applicable insurance authorized the settlement; (ii) the settlement relates to a claim for injunctive relief which has remained unsettled or pending for a period of 30 days or longer which otherwise interferes with Distributor's distribution of the Picture hereunder; or (iii) the settlement is for not more than CAD \$10,000.00 or its equivalent in Indian Rupees. All rights and remedies of the parties hereunder will be cumulative and will not interfere with or prevent the exercise of any other right or remedy which may be available to the respective party.

**12. DELIVERY MATERIALS:** The Picture will be delivered as follows:

- a) Upon completion of the film Producer will deliver to Distributor the materials specified in Exhibit A hereto, accompanied by a fully executed lab access letter (irrevocable for the term) for access to the Master materials. If any said materials are not acceptable to Distributor, Distributor will notify the Producer of any technical problems or defects within (10) business days, and Producer will promptly replace the defective materials at Producers' sole expense. Distributor shall have no right to terminate this Agreement unless and until Producer has failed to cure any such defects within thirty (30) days after notice thereof from Distributor. If no objection is made within (10) ten business days of delivery of an item, the item will be deemed acceptable. If Distributor creates its own artwork and trailers for the Picture, Ownership of these materials shall vest in Producer, and Producer shall have the right to use said materials at any time for the Domestic release of the picture, and anywhere in the Universe after the term of this Agreement expires. Any artwork or copyrightable material commissioned by Distributor shall be created pursuant to a written contract, signed before the material is created, which states the work is a work-for-hire and that Producer is owner of all rights.
- b) Producer will concurrently with the delivery of the materials deliver to Distributor a list of contractual requirements for advertising credits to persons who rendered services or furnished materials for such Picture and a list of any restrictions.
- c) All materials delivered to Distributor shall be returned to Producer within 30 days of the end of the term.
- d) Time is of the essence hereof.

**13. ADVANCE/GUARANTEE:**

- a) There shall be no advance guarantee paid to the producer by distributor before commencement of principal photography.

**14. ALLOCATION OF GROSS RECEIPTS:** As to proceeds derived from Distributor's exploitation of all rights outlined in Paragraph 2, division of the Gross receipts will be made, as follows;

a) From the Distributors exploitation of Theatrical Granted Rights. Distributor shall recoup all recoupable expenses related to the prints, marketing and advertising of the Picture.

From the remaining revenues Distributor shall deduct and retain twenty percent (20%) of Gross receipts. The net proceeds shall be paid to Producer.

b) Gross Receipts: As used herein, the term "Gross Receipts" shall mean all monies actually received by and credited to Distributor less any refunds, returns, taxes, collection costs and manufacturing or duplication costs.

c) Deductions from Gross Receipts shall be taken in the following order:

1) Recoupment of any recoupable Delivery Expenses incurred by Distributor

2) Recoupment of any recoupable Promotional Expenses incurred by Distributor.

3) Net Proceeds shall be paid to Producer, after Distributor retains 20%.

15. RECOUPABLE EXPENSES: As used herein, the term expenses and/or recoupable expenses shall mean all of Distributor's actual expenses on behalf of the Picture limited as follows:

- \* Promotional Expenses: These expenses include the cost of preparing posters, one-sheets, trailers and advertising. Distributor agrees to spend no less than Indian Rupees 1 Crore and no more than Indian Rupees 2 Crores on promotional expenses. These expenses are limited to direct out-of-pocket expenses actually spent on behalf of the Picture. At Producer's request, Distributor shall provide receipts for each and every expense or forgo recoupment. Recoupable promotional expenses do not include any of Distributor's general office, overhead, legal or staff expenses. Distributor agrees to spend the minimum necessary to adequately promote the Picture, including preparation of a trailer, poster, one-sheet, videocassette and customary promotional material, if these items have not been supplied by Producer. Distributor will use its best efforts to promote the Picture, and will promote the Picture in a no less favourable manner than any of Distributor's other films.
- \* Delivery Expenses: Delivery Expenses are the direct out of pocket costs incurred by Distributor to manufacture any of the film or video deliverables (as listed on Exhibit A) which Producer did not supply. At Producer's request, Distributor shall provide receipts for each and every expense or forgo recoupment. Recoupable Delivery Expenses do not include any of Distributor's general office, overhead, legal or staff expenses or any of the aforementioned Promotional Expenses.

16. LATE PAYMENTS/LIEN: Producer shall hold a lien and security interest on the gross receipts and distribution contracts for the Picture. All monies due to Producer

shall be paid in accordance with this agreement. Distributor shall pay Producer interest at three percent per month on any amounts thirty (30) days past due.

#### 17. DEFAULT/TERMINATION:

a) Distributor Default: If it is found and proven that Distributor has defaulted on its obligations under this agreement, upon notification of that fact from Producer, Distributor will have thirty (30) days to cure said default. If the default is not cured within the allotted period, the Producer will have the right to initiate arbitration.

b) Producer Default: Distributor shall notify Producer in writing of any alleged default hereunder. Producer shall have thirty (30) days to correct alleged default before Distributor initiates arbitration.

c) Termination Rights: No failure by either party hereto to perform any of its obligations under this Agreement shall be deemed to be a material breach of this Agreement until the non-breaching party has given the breaching party written notice of its failure to perform and such failure has not been corrected within thirty (30) business days from and after the giving of such notice. In the event of an uncured material breach, either party shall be entitled to terminate this Agreement (subject to arbitration) by written notice to the other party, obtain monetary damages and other appropriate relief and, in the case of Producer, regain all of its rights in the Picture subject to existing executory contracts and licenses respecting Picture.

Producer shall have the right to terminate this Agreement and cause all rights herein conveyed to Distributor to revert to Producer by written notice to Distributor in the event that Distributor files a petition in bankruptcy or consents to an involuntary petition in bankruptcy. Notwithstanding anything to the contrary which may be contained in the preceding sentence, in the event that Distributor files a petition in bankruptcy or consents to an involuntary petition in bankruptcy, Producer shall not be entitled to terminate this Agreement if thereafter:

(1) Distributor shall segregate Producer's share of the moneys that Distributor receives in connection with the Picture and place the moneys into a separate trust account and that such moneys shall not be commingled with Distributor's other funds, and Producer's share of such moneys shall become Producer's property immediately upon the collection by Distributor and (2) this procedure is approved by the Bankruptcy Court. In connection with the foregoing, Distributor hereby grants to Producer a security interest in the Picture and the right to receive moneys from the exploitation of the Picture ("Security Interest"). Producer may by written notice to Distributor execute against the Security Interest if and only if Distributor files a petition in bankruptcy or consents to an involuntary bankruptcy and Producer is entitled to terminate this Agreement in accordance with the other provisions of this Paragraph.

#### 18. ACCOUNTINGS:

a) Distributor will render or cause to be rendered to Producer, quarterly accounting statements commencing 45 days after the first quarter after the initial release of the

Picture takes place in any portion of the territory, for the first year of this agreement. Thereafter, quarterly statements will be made within forty-five (45) days after the last day of Distributor's then current fiscal accounting period. All monies due and payable to Producer pursuant to this Agreement will be paid simultaneously with the rendering of such statements. A copy of every statement shall be sent to: Suite 101, 3115-12th Street NE, Calgary, Alberta, T2E 7J2, Canada; with the original and any payments sent to Visions 20 Entertainment Inc.

b) Producer will be deemed to have consented to all accountings rendered by Distributor or its assignees, or successors and all such statements will be binding upon Producer unless specific objections in writing, stating the basis thereof, is given by Producer.

c) Distributor shall keep and maintain at its office in the city of Mumbai and in the State of Maharashtra, in the country India, until expiration of the Term and for a period of five (5) years thereafter, complete detailed, permanent, true and accurate books of account and records relating to the distributing and exhibition of the Picture, including, but not limited to, detailed collections, detailed billings thereon, detailed play-dates thereof, detailed records of expenses that have been deducted from collections received from the exploitation of the Picture, and the whereabouts of prints, trailers, accessories and other material in connection with the Picture. Records shall be kept in accordance with Generally Accepted Accounting Principles. Producer shall be entitled to inspect such books and records of Distributor relating to the Picture during regular business hours and shall be entitled to audit such books and records of Distributor relating to the Picture upon 10 business days, written notice to Distributor and provided that not more than one audit is conducted every twelve months during each calendar year and further provided that such audit shall last not more than ten consecutive business days once begun and does not interfere with Distributor's normal operations. Within Thirty (30) days of the completion of the audit, Producer will furnish Distributor with a copy of said audit. In the event that the audit discloses that Producer has been underpaid the Indian Rupee equivalent of CAD \$5,000.00 or more, Distributor shall reimburse Producer for all audit costs. Otherwise, all audit expenses shall be borne by Producer.

d) Relationship Between Parties: Distributor will hold the Producer's portion of Net receipts in trust for Producer. This agreement will not constitute a partnership or joint venture between Distributor and Producer, and neither of the parties will become bound or liable because of any representations, acts or omissions of the other party hereto.

19. ASSIGNMENT: This agreement will be binding upon and will endure to the benefit of the parties hereto and their respective successors and permitted assigns. Producer may assign its rights to payment of monies. Distributor may not assign its rights without the prior written consent of Producer, provided that nothing herein will prevent Distributor from assigning its rights to a successor company that may arise from Distributor merging, being acquired or partnering with another company.




20. **ARBITRATION AND JURISDICTION:** This Agreement shall be interpreted in accordance with the laws of the Province of Alberta in the country Canada, applicable to agreements executed and to be wholly performed therein. Any controversy or claim arising out of or in relation to this Agreement or the validity, construction or performance of this Agreement, or the breach thereof, shall be resolved by arbitration. The parties agree to arbitrate such matter before and in accordance with the rules of the Canadian Arbitration Association under its jurisdiction in the city of Calgary before a single arbitrator familiar with entertainment law. The parties shall have the right to engage in pre-hearing discovery in connection with such arbitration proceedings. The parties agree hereto that they will abide by and perform any award rendered in any arbitration conducted pursuant hereto, that any court having jurisdiction thereof may issue a judgment based upon such award and that the prevailing party in such arbitration and/or confirmation proceeding shall be entitled to recover its reasonable attorney's fees and costs. The arbitration will be held in the city of Calgary and any award shall be final, binding and non-appealable.

21. **Entire Agreement:** This Agreement is intended by the parties hereto as a final expression of their Agreement and understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms thereof (unless amended in writing by both parties) and supersedes any and all prior and contemporaneous agreements and understanding thereto. This Agreement will be understood in all respects to lay under the jurisdiction of the province of Alberta and the laws of Canada. All parties agree that because of the specialized interest of this Agreement pertaining to entertainment that it is in both parties' interests that confirmation of any arbitration award, and any other matters of law, be submitted to the jurisdiction of the Canadian District for the Central district of Alberta, or the Superior Courts in Canada. The parties waive their rights to transfer such actions to any other jurisdictions and will be bound by the decisions of such courts. In the event of any conflict or action between the parties the prevailing party shall be entitled to recoup its reasonable attorney fees and court costs and expenses from the non-prevailing party.

Paragraph headings in this Agreement are used for convenience only and will not be used to interpret or construe the provisions of this Agreement.

ACCEPTED AND AGREED:

  
Amit Goyal, President & CEO,  
Nirmal Shree Films

Date: February 2, 2017

  
Yasmin B. Gadhia on behalf of  
Visions 20 Entertainment Inc

Date: 2nd Feb 2017

EXHIBIT "A"

DELIVERY REQUIREMENTS



Delivery of the Picture shall consist of Licensor making delivery, at Licensor's expense, to Licensee (at the address specified below) of all items set forth below to the location(s) designated below (or as may hereafter be designated by Licensee). Access to all "access" delivery items referred to in this Exhibit shall be deemed complete when designated items are delivered to Licensee with a Lab Access Letter put on file so that Licensee may fulfil its obligations under this agreement. Delivery items shall be delivered to the following:

NIRMAL SHREE FILMS

ADDRESS: 702-PALMS II.

ROYAL PALMS ESTATE,  
AAREY MILK COLONY,  
GOREGAON (EAST),  
MUMBAI - 400063  
INDIA

1. PICTURE ITEMS (any of the below items may be required for digital projection or Print conversion)

1. Original Picture print and Soundtrack file:

Access to the following:

- 2 X Original Picture digital print: The original first-class completely edited color Digital print on Digital Cinema Package, fully timed, color corrected and subtitled
- Original Soundtrack file: A first-class completely edited sound-track file (including combined dialogue, sound effects and music) made from the original digital print master. The Sound track is to be in 5.1 channel.
- 20 X Release Prints: 20 Release prints of the final Picture including Distributor logo inserted in the opening credits of the Picture and as specified at the time by Distributor.

The elements listed in subparagraphs (a) (b) and (c) above are to be without scratches or injury, so that clear first class digital prints can be made therefrom in order to properly exhibit and perform the Picture, and to properly produce the recorded sound of the Picture and the musical compositions included in the score thereof in synchronism with the photographic action in the Picture.

2. Complete Materials to Create Trailer:

Delivery of the following:

- A Sub-master of the entire film in HD format.
- Continuity Script: delivery of Two (2) copies of the dialogue cutting continuity (in English), being an accurate transcript of dialogue, narration and song vocals and description of action of the trailer as finally edited for release, conforming to the format of release scripts used by Licensee, from which such scripts may be printed, each scene to be numbered, margin of 2 1/2" on the left side of the page. Masters to be typed so text will appear when printed on pages with dimensions of 11"x 8 1/2".

### 3. Music Masters/Tracks/Dubbing Set-Up Sheets:

- \* Access to the uncut original music masters in the form (e.g., number of tracks) in which they were recorded or, at Licensee's election, a first generation copy thereof of selected takes of each musical sequence of the Picture, regardless of whether such selected takes are in the Picture;
- \* Access to the synchronized digital tracks of music, sound effects and dialogue, as set up for dubbing; and
- \* Copies of Dubbing set-up sheets (e.g. all "cue sheets")

4. Outtakes and Trims: If requested, access to all unused takes and trims and all other film including without limitation soundtrack produced for or used in the process of preparing the Picture, whether or not actually used in the Picture.

### 5. Publicity and Advertising Materials:

- \* Color Slides: At least 100 color slides and any available prints of black and white still photographs and accompanying negatives, and at least Twenty Five color still photographs and accompanying negatives depicting different scenes from the Picture, production activities, and informal poses, the majority of which depict the principal members of the cast. Each slide shall be accompanied by a notation identifying the persons and events depicted and shall be suitable for reproduction for advertising and publicity purposes. Where a player has still approval, Licensor shall furnish licensee with only approved photos and shall provide an appropriate written clearance from the player.
- \* Synopsis: One (1) copy of a brief synopsis in the English Language, and in such other Language, such synopsis exists, (one typewritten page each) of the story of the Picture.
- \* The statement of credits applicable to the Picture including verification of the writing credits by the appropriate writers guild and photocopy excerpts of all of Licensor's obligations (taken from the actual contract) to accord credit on the screen, in advertising and on recordings; and excerpts as to any restrictions as to use of name and likeness.
- \* Cast: One (1) copy of a list indicating the name of the character portrayed by each player and a complete description of the character.
- \* Crew: One (1) copy of a list indicating each member of the crew and the function.
- \* Titles: One (1) typewritten list of the main credits and end titles of the Picture.
- \* Miscellaneous: At least one (1) copy of all advertisements, paper accessories, and other advertising materials, if any, prepaid by Licensor or by any other party in connection with the Picture. Art elements and transparencies necessary to make proofs thereof.
- \* Press books: 20 Press books, including biographies (one to three typewritten pages in length) of key members of cast, individual producer and Co-producer(s), director, cinematographer and screenwriter.
- \* Production Notes: If requested, a copy of the production notes of the Picture prepared by the unit publicist, including items relating to: underlying work (original

screenplay, book, etc), places where the Picture was photographed, anecdotes about the production of background of the Picture.

6. Indian Censorship Certificate:

- \* It is understood that the Picture has not received or applied for a censorship Certificate in India. If and when it becomes necessary to receive a censorship certificate, Licensor shall make application for the certificate and recoup expense from sales/licensing revenues.

7. QUALITY CONTROL REQUIREMENTS.

Nirmal Shree Films shall, at its own option and its own cost, perform one quality control test on each element supplied by Licensor. Licensor shall be liable for the cost of all quality control tests after the initial quality control test of all elements replaced because of failure to conform to Licensee's technical quality requirements.

**CEANA DEVELOPMENT INC**

**101, 3115, 12 STREET N E**

**CONRICH, ALBERTA.**

**T2E 7J2**

**PH: (403) 3976606**

**FAX: (403) 9102242**

19th March, 2017

**TO WHOM IT MAY CONCERN**

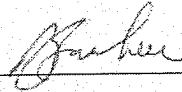
Re: Finance for Motion Picture project titled 'JL 50'

This is to confirm that Ceana Development Inc, conducting a business from Suite 101, 3115-12 Street N E, in the city of Calgary, Province of Alberta in Canada, is financing the Motion Picture project tentatively titled 'JL50' in the amount of \$2,000,000 (CAD Two Million dollars). The complete amount above will be available to the producers, Vision 20 Entertainment Inc, conducting a business from 245111 Meadowridge Road Conrich, Alberta. T2M 4L5, atleast 60 days ahead of principal photography.

Upon the completion of the Motion Picture, the producers have agreed to return to Ceana Development Inc, the complete financed amount from the business arising from the exploitation of the motion picture along with the 10% share of the back end profit.

Yours truly,  
CEANA DEVELOPMENT INC

PER; \_\_\_\_\_





March 29, 2017

Alberta Multimedia Development Program  
#140, 4211-106 Street NW  
Edmonton, AB T6J 6L7

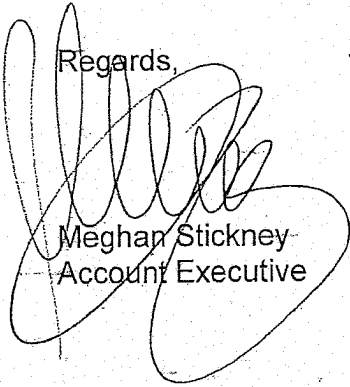
To Whom It May Concern:

Re: Visions 20 Entertainment Inc. – “JL 50”

I have reviewed the underwriting material for “JL 50” and I expect no difficulty in obtaining insurance coverage for the production .

If you have any questions please feel free to contact me directly.

Regards,



Meghan Stickney  
Account Executive

**Alberta Film Development Program**  
**Eligible Alberta Costs Worksheet**

The following worksheet is designed to assist applicants in calculating the amount of funding that may be available to a project.

The "Comments" column indicates AFDP's response to each line item. The basic rules as to whether an expense item is eligible for funding are:

- 1) if the transaction is taxable in the province, and
- 2) if the benefit of the expense is realized within the province. Exceptions have been made in specific cases where the item is not available in Alberta but is essential to the production.

In the event that a cost is not listed in this worksheet but arguably falls within the intent of the basic rules, the producer is invited to request an advanced ruling. If the cost item receives a positive ruling this worksheet will be updated and the expense category will be available to all future applicants.

Only those expenses identified in the worksheet or that have been approved in an advance ruling will be considered in funding calculations.

- Once all eligible Alberta costs have been entered on to the worksheet, simply multiply the total by the percentage funding the project qualifies for as per the application form. This value should equal the amount of AFDP funding the project qualifies for.

BANK OF AMERICA				
DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
1/1/2010	OPENING BALANCE			100.00
1/5/2010	DEPOSIT		50.00	150.00
1/10/2010	WITHDRAWAL	20.00		130.00
1/15/2010	DEPOSIT		75.00	205.00
1/20/2010	WITHDRAWAL	10.00		195.00
1/25/2010	DEPOSIT		30.00	225.00
1/30/2010	WITHDRAWAL	15.00		210.00
2/5/2010	DEPOSIT		40.00	250.00
2/10/2010	WITHDRAWAL	25.00		225.00
2/15/2010	DEPOSIT		60.00	285.00
2/20/2010	WITHDRAWAL	18.00		267.00
2/25/2010	DEPOSIT		25.00	292.00
2/28/2010	WITHDRAWAL	12.00		280.00
3/5/2010	DEPOSIT		55.00	335.00
3/10/2010	WITHDRAWAL	30.00		305.00
3/15/2010	DEPOSIT		45.00	350.00
3/20/2010	WITHDRAWAL	22.00		328.00
3/25/2010	DEPOSIT		35.00	363.00
3/30/2010	WITHDRAWAL	17.00		346.00
4/5/2010	DEPOSIT		65.00	411.00
4/10/2010	WITHDRAWAL	35.00		376.00
4/15/2010	DEPOSIT		50.00	426.00
4/20/2010	WITHDRAWAL	28.00		398.00
4/25/2010	DEPOSIT		40.00	438.00
4/30/2010	WITHDRAWAL	20.00		418.00
5/5/2010	DEPOSIT		70.00	488.00
5/10/2010	WITHDRAWAL	40.00		448.00
5/15/2010	DEPOSIT		55.00	503.00
5/20/2010	WITHDRAWAL	32.00		471.00
5/25/2010	DEPOSIT		45.00	516.00
5/30/2010	WITHDRAWAL	25.00		491.00
6/5/2010	DEPOSIT		60.00	551.00
6/10/2010	WITHDRAWAL	45.00		506.00
6/15/2010	DEPOSIT		70.00	576.00
6/20/2010	WITHDRAWAL	38.00		538.00
6/25/2010	DEPOSIT		50.00	588.00
6/30/2010	WITHDRAWAL	28.00		560.00
7/5/2010	DEPOSIT		80.00	640.00
7/10/2010	WITHDRAWAL	50.00		590.00
7/15/2010	DEPOSIT		65.00	655.00
7/20/2010	WITHDRAWAL	42.00		613.00
7/25/2010	DEPOSIT		55.00	668.00
7/30/2010	WITHDRAWAL	30.00		638.00
8/5/2010	DEPOSIT		75.00	713.00
8/10/2010	WITHDRAWAL	55.00		658.00
8/15/2010	DEPOSIT		85.00	743.00
8/20/2010	WITHDRAWAL	48.00		695.00
8/25/2010	DEPOSIT		60.00	755.00
8/30/2010	WITHDRAWAL	35.00		720.00
9/5/2010	DEPOSIT		90.00	810.00
9/10/2010	WITHDRAWAL	60.00		750.00
9/15/2010	DEPOSIT		75.00	825.00
9/20/2010	WITHDRAWAL	52.00		773.00
9/25/2010	DEPOSIT		65.00	838.00
9/30/2010	WITHDRAWAL	40.00		798.00
10/5/2010	DEPOSIT		85.00	883.00
10/10/2010	WITHDRAWAL	65.00		818.00
10/15/2010	DEPOSIT		95.00	913.00
10/20/2010	WITHDRAWAL	58.00		855.00
10/25/2010	DEPOSIT		70.00	925.00
10/30/2010	WITHDRAWAL	45.00		880.00
11/5/2010	DEPOSIT		100.00	980.00
11/10/2010	WITHDRAWAL	70.00		910.00
11/15/2010	DEPOSIT		80.00	990.00
11/20/2010	WITHDRAWAL	62.00		928.00
11/25/2010	DEPOSIT		65.00	993.00
11/30/2010	WITHDRAWAL	50.00		943.00
12/5/2010	DEPOSIT		95.00	1038.00
12/10/2010	WITHDRAWAL	75.00		963.00
12/15/2010	DEPOSIT		105.00	1068.00
12/20/2010	WITHDRAWAL	68.00		1000.00
12/25/2010	DEPOSIT		80.00	1080.00
12/30/2010	WITHDRAWAL	55.00		1025.00
1/5/2011	DEPOSIT		110.00	1135.00
1/10/2011	WITHDRAWAL	80.00		1055.00
1/15/2011	DEPOSIT		90.00	1145.00
1/20/2011	WITHDRAWAL	72.00		1073.00
1/25/2011	DEPOSIT		75.00	1148.00
1/30/2011	WITHDRAWAL	60.00		1088.00
2/5/2011	DEPOSIT		105.00	1193.00
2/10/2011	WITHDRAWAL	85.00		1108.00
2/15/2011	DEPOSIT		95.00	1203.00
2/20/2011	WITHDRAWAL	78.00		1125.00
2/25/2011	DEPOSIT		80.00	1205.00
2/28/2011	WITHDRAWAL	65.00		1140.00
3/5/2011	DEPOSIT		115.00	1255.00
3/10/2011	WITHDRAWAL	90.00		1165.00
3/15/2011	DEPOSIT		100.00	1265.00
3/20/2011	WITHDRAWAL	82.00		1183.00
3/25/2011	DEPOSIT		85.00	1268.00
3/30/2011	WITHDRAWAL	70.00		1198.00
4/5/2011	DEPOSIT		120.00	1318.00
4/10/2011	WITHDRAWAL	95.00		1223.00
4/15/2011	DEPOSIT		110.00	1333.00
4/20/2011	WITHDRAWAL	88.00		1245.00
4/25/2011	DEPOSIT		90.00	1335.00
4/30/2011	WITHDRAWAL	75.00		1260.00
5/5/2011	DEPOSIT		125.00	1385.00
5/10/2011	WITHDRAWAL	100.00		1285.00
5/15/2011	DEPOSIT		115.00	1400.00
5/20/2011	WITHDRAWAL	92.00		1308.00
5/25/2011	DEPOSIT		95.00	1403.00
5/30/2011	WITHDRAWAL	80.00		1323.00
6/5/2011	DEPOSIT		130.00	1453.00
6/10/2011	WITHDRAWAL	105.00		1348.00
6/15/2011	DEPOSIT		120.00	1468.00
6/20/2011	WITHDRAWAL	98.00		1370.00
6/25/2011	DEPOSIT		100.00	1470.00
6/30/2011	WITHDRAWAL	85.00		1385.00
7/5/2011	DEPOSIT		135.00	1520.00
7/10/2011	WITHDRAWAL	110.00		1410.00
7/15/2011	DEPOSIT		125.00	1535.00
7/20/2011	WITHDRAWAL	102.00		1433.00
7/25/2011	DEPOSIT		105.00	1538.00
7/30/2011	WITHDRAWAL	90.00		1448.00
8/5/2011	DEPOSIT		140.00	1588.00
8/10/2011	WITHDRAWAL	115.00		1473.00
8/15/2011	DEPOSIT		130.00	1603.00
8/20/2011	WITHDRAWAL	108.00		1495.00
8/25/2011	DEPOSIT		110.00	1605.00
8/30/2011	WITHDRAWAL	95.00		1510.00
9/5/2011	DEPOSIT		145.00	1655.00
9/10/2011	WITHDRAWAL	120.00		1535.00
9/15/2011	DEPOSIT		135.00	1670.00
9/20/2011	WITHDRAWAL	112.00		1558.00
9/25/2011	DEPOSIT		115.00	1673.00
9/30/2011	WITHDRAWAL	100.00		1573.00
10/5/2011	DEPOSIT		150.00	1723.00
10/10/2011	WITHDRAWAL	125.00		1598.00
10/15/2011	DEPOSIT		140.00	1738.00
10/20/2011	WITHDRAWAL	118.00		1620.00
10/25/2011	DEPOSIT		120.00	1740.00
10/30/2011	WITHDRAWAL	105.00		1635.00
11/5/2011	DEPOSIT		155.00	1790.00
11/10/2011	WITHDRAWAL	130.00		1660.00
11/15/2011	DEPOSIT		145.00	1805.00
11/20/2011	WITHDRAWAL	122.00		1683.00
11/25/2011	DEPOSIT		125.00	1808.00
11/30/2011	WITHDRAWAL	110.00		1698.00
12/5/2011	DEPOSIT		160.00	1858.00
12/10/2011	WITHDRAWAL	135.00		1723.00
12/15/2011	DEPOSIT		150.00	1873.00
12/20/2011	WITHDRAWAL	128.00		1745.00
12/25/2011	DEPOSIT		130.00	1875.00
12/30/2011	WITHDRAWAL	115.00		1760.00
1/5/2012	DEPOSIT		165.00	1925.00
1/10/2012	WITHDRAWAL	140.00		1785.00
1/15/2012	DEPOSIT		155.00	1940.00
1/20/2012	WITHDRAWAL	132.00		1808.00
1/25/2012	DEPOSIT		135.00	1943.00
1/30/2012	WITHDRAWAL	120.00		1823.00
2/5/2012	DEPOSIT		170.00	1993.00
2/10/2012	WITHDRAWAL	145.00		1848.00
2/15/2012	DEPOSIT		160.00	2008.00
2/20/2012	WITHDRAWAL	138.00		1870.00
2/25/2012	DEPOSIT		140.00	2010.00
2/28/2012	WITHDRAWAL	125.00		1885.00
3/5/2012	DEPOSIT		175.00	2060.00
3/10/2012	WITHDRAWAL	150.00		1910.00
3/15/2012	DEPOSIT		165.00	2075.00
3/20/2012	WITHDRAWAL	142.00		1933.00
3/25/2012	DEPOSIT		145.00	2078.00
3/30/2012	WITHDRAWAL	130.00		1948.00
4/5/2012	DEPOSIT		180.00	2128.00
4/10/2012	WITHDRAWAL	155.00		1973.00
4/15/2012	DEPOSIT		170.00	2143.00
4/20/2012	WITHDRAWAL	148.00		1995.00
4/25/2012	DEPOSIT		150.00	2145.00
4/30/2012	WITHDRAWAL	135.00		2010.00
5/5/2012	DEPOSIT		185.00	2195.00
5/10/2012	WITHDRAWAL	160.00		2030.00
5/15/2012	DEPOSIT		175.00	2205.00
5/20/2012	WITHDRAWAL	152.00		2053.00
5/25/2012	DEPOSIT		155.00	2208.00
5/30/2012	WITHDRAWAL	140.00		2068.00
6/5/2012	DEPOSIT		190.00	2258.00
6/10/2012	WITHDRAWAL	165.00		2093.00
6/15/2012	DEPOSIT		180.00	2273.00
6/20/2012	WITHDRAWAL	158.00		2115.00
6/25/2012	DEPOSIT		160.00	2275.00
6/30/2012	WITHDRAWAL	145.00		2130.00
7/5/2012	DEPOSIT		195.00	2325.00
7/10/2012	WITHDRAWAL	170.00		2155.00
7/15/2012	DEPOSIT		185.00	2340.00
7/20/2012	WITHDRAWAL	162.00		2178.00
7/25/2012	DEPOSIT		165.00	2343.00
7/30/2012	WITHDRAWAL	150.00		2198.00
8/5/2012	DEPOSIT		200.00	2398.00
8/10/2012	WITHDRAWAL	175.00		2223.00
8/15/2012	DEPOSIT		190.00	2413.00
8/20/2012	WITHDRAWAL	168.00		2245.00
8/25/2012	DEPOSIT		170.00	2415.00
8/30/2012	WITHDRAWAL	155.00		2260.00
9/5/2012	DEPOSIT		205.00	2465.00
9/10/2012	WITHDRAWAL	180.00		2280.00
9/15/2012	DEPOSIT		195.00	2475.00
9/20/2012	WITHDRAWAL	172.00		2303.00
9/25/2012	DEPOSIT		175.00	2478.00
9/30/2012	WITHDRAWAL	160.00		2318.00
10/5/2012	DEPOSIT		210.00	2528.00
10/10/2012	WITHDRAWAL	185.00		2343.00
10/15/2012	DEPOSIT		200.00	2543.00
10/20/2012	WITHDRAWAL	178.00		2365.00
10/25/2012	DEPOSIT		180.00	2545.00
10/30/2012	WITHDRAWAL	165.00		2380.00
11/5/2012	DEPOSIT		215.00	2595.00
11/10/2012	WITHDRAWAL	190.00		2400.00
11/15/2012	DEPOSIT		205.00	2605.00
11/20/2012	WITHDRAWAL	182.00		2423.00
11/25/2012	DEPOSIT		185.00	2608.00
11/30/2012	WITHDRAWAL	170.00		2438.00
12/5/2012	DEPOSIT		220.00	2658.00
12/10/2012	WITHDRAWAL	195.00		2463.00
12/15/2012	DEPOSIT		210.00	2673.00
12/20/2012	WITHDRAWAL	188.00		2485.00
12/25/2012	DEPOSIT		190.00	2675.00
12/30/2012	WITHDRAWAL	175.00		2500.00
1/5/2013	DEPOSIT		225.00	2725.00
1/10/2013	WITHDRAWAL	200.00		2520.00
1/15/2013	DEPOSIT		215.00	2735.00
1/20/2013	WITHDRAWAL	192.00		2543.00
1/25/2013	DEPOSIT		195.00	2738.00
1/30/2013	WITHDRAWAL	180.00		2558.00
2/5/2013	DEPOSIT		230.00	2788.00
2/10/2013	WITHDRAWAL	205.00		2583.00
2/15/2013	DEPOSIT		220.00	2803.00
2/20/2013	WITHDRAWAL	198.00		2605.00
2/25/2013	DEPOSIT		200.00	2805.00
2/28/2013	WITHDRAWAL	185.00		2620.00
3/5/2013	DEPOSIT		235.00	2855.00
3/10/2013	WITHDRAWAL	210.00		2640.00
3/15/2013	DEPOSIT		225.00	2865.00
3/20/2013	WITHDRAWAL	202.00		2663.00
3/25/2013	DEPOSIT		205.00	2868.00
3/30/2013	WITHDRAWAL	190.00		2678.00
4/5/2013	DEPOSIT		240.00	2918.00
4/10/2013	WITHDRAWAL	215.0		



PRODUCTION SCHEDULE FOR JUL 40

DATE	TIME	ACTIVITY	LOCATION
7/1/40	0800	Production	Plant
7/1/40	0900	Production	Plant
7/1/40	1000	Production	Plant
7/1/40	1100	Production	Plant
7/1/40	1200	Production	Plant
7/1/40	1300	Production	Plant
7/1/40	1400	Production	Plant
7/1/40	1500	Production	Plant
7/1/40	1600	Production	Plant
7/1/40	1700	Production	Plant
7/1/40	1800	Production	Plant
7/1/40	1900	Production	Plant
7/1/40	2000	Production	Plant
7/1/40	2100	Production	Plant
7/1/40	2200	Production	Plant
7/1/40	2300	Production	Plant
7/1/40	2400	Production	Plant
7/1/40	2500	Production	Plant
7/1/40	2600	Production	Plant
7/1/40	2700	Production	Plant
7/1/40	2800	Production	Plant
7/1/40	2900	Production	Plant
7/1/40	3000	Production	Plant
7/1/40	3100	Production	Plant
7/1/40	3200	Production	Plant
7/1/40	3300	Production	Plant
7/1/40	3400	Production	Plant
7/1/40	3500	Production	Plant
7/1/40	3600	Production	Plant
7/1/40	3700	Production	Plant
7/1/40	3800	Production	Plant
7/1/40	3900	Production	Plant
7/1/40	4000	Production	Plant
7/1/40	4100	Production	Plant
7/1/40	4200	Production	Plant
7/1/40	4300	Production	Plant
7/1/40	4400	Production	Plant
7/1/40	4500	Production	Plant
7/1/40	4600	Production	Plant
7/1/40	4700	Production	Plant
7/1/40	4800	Production	Plant
7/1/40	4900	Production	Plant
7/1/40	5000	Production	Plant
7/1/40	5100	Production	Plant
7/1/40	5200	Production	Plant
7/1/40	5300	Production	Plant
7/1/40	5400	Production	Plant
7/1/40	5500	Production	Plant
7/1/40	5600	Production	Plant
7/1/40	5700	Production	Plant
7/1/40	5800	Production	Plant
7/1/40	5900	Production	Plant
7/1/40	6000	Production	Plant
7/1/40	6100	Production	Plant
7/1/40	6200	Production	Plant
7/1/40	6300	Production	Plant
7/1/40	6400	Production	Plant
7/1/40	6500	Production	Plant
7/1/40	6600	Production	Plant
7/1/40	6700	Production	Plant
7/1/40	6800	Production	Plant
7/1/40	6900	Production	Plant
7/1/40	7000	Production	Plant
7/1/40	7100	Production	Plant
7/1/40	7200	Production	Plant
7/1/40	7300	Production	Plant
7/1/40	7400	Production	Plant
7/1/40	7500	Production	Plant
7/1/40	7600	Production	Plant
7/1/40	7700	Production	Plant
7/1/40	7800	Production	Plant
7/1/40	7900	Production	Plant
7/1/40	8000	Production	Plant
7/1/40	8100	Production	Plant
7/1/40	8200	Production	Plant
7/1/40	8300	Production	Plant
7/1/40	8400	Production	Plant
7/1/40	8500	Production	Plant
7/1/40	8600	Production	Plant
7/1/40	8700	Production	Plant
7/1/40	8800	Production	Plant
7/1/40	8900	Production	Plant
7/1/40	9000	Production	Plant
7/1/40	9100	Production	Plant
7/1/40	9200	Production	Plant
7/1/40	9300	Production	Plant
7/1/40	9400	Production	Plant
7/1/40	9500	Production	Plant
7/1/40	9600	Production	Plant
7/1/40	9700	Production	Plant
7/1/40	9800	Production	Plant
7/1/40	9900	Production	Plant
7/1/40	10000	Production	Plant

**CEANA DEVELOPMENT INC**

**101, 3115, 12 STREET N E**

**CONRICH, ALBERTA.**

**T2E 7J2**

**PH: (403) 3976606**

**FAX: (403) 9102242**

19th March, 2017

**TO WHOM IT MAY CONCERN**

Re: Finance for Motion Picture project titled 'JL 50'

This is to confirm that Ceana Development Inc, conducting a business from Suite 101, 3115-12 Street N E, in the city of Calgary, Province of Alberta in Canada, is financing the Motion Picture project tentatively titled 'JL50' in the amount of \$2,000,000 (CAD Two Million dollars). The complete amount above will be available to the producers, Vision 20 Entertainment Inc, conducting a business from 245111 Meadowridge Road Conrich, Alberta.T2M 4L5, atleast 60 days ahead of principal photography.

Upon the completion of the Motion Picture, the producers have agreed to return to Ceana Development Inc, the complete financed amount from the business arising from the exploitation of the motion picture along with the 10% share of the back end profit.

Yours truly,  
CEANA DEVELOPMENT INC

PER; \_\_\_\_\_

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

Bahadur Gaidhar

sworn before me this 14 day of February, 2019

Amanda Z  
A COMMISSIONER FOR OATHS IN AND FOR  
THE PROVINCE OF ALBERTA

AMANDA ZALMANOWITZ

\_\_\_\_\_  
PRINT NAME AND EXPIRY/LAWYER/STUDENT-AT-LAW