

COURT FILE NUMBER 2201-13540

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Calgary

PLAINTIFF
(APPLICANTS) **BANCORP FINANCIAL SERVICES INC., BANCORP BALANCED MORTGAGE FUND II LTD., and BANCORP GROWTH MORTGAGE FUND II LTD.**

DEFENDANTS
(RESPONDENTS) **ALVARO DEVELOPERS INC., ALVARO LIMITED PARTNERSHIP, CRUZ CUSTOM HOMES LTD., 1770374 ALBERTA INC., SUNSET HOMES LTD., DANIEL RODOLFO ASTETE-CRUZ, and PEDRO ARNOLDO OCANA MULLER**

DOCUMENT **SUPPLEMENTAL AFFIDAVIT OF MICHAEL SABA**

Clerk's Stamp

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING
THIS DOCUMENT

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
3400 First Canadian Centre
350 – 7th Avenue S.W.
Calgary, AB T2P 3N9

Jessica L. Cameron
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File No.: 315128.00002

SUPPLEMENTAL AFFIDAVIT OF MICHAEL SABA

Sworn on November 28, 2022

I, Michael Saba, of the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SWEAR AND SAY THAT:

1. I am a director and Vice President of Bancorp Financial Services Inc. ("BFS"), one of the Applicants in these proceedings, and as such I have personal knowledge of the matters

hereinafter deposed to, except where stated to be based on information and belief, and where so stated I verily believe the same to be true.

2. On November 16, 2022, I sworn an affidavit in these proceedings (the “**First Saba Affidavit**”) in support of the Applicants’ application for an order appointing a receiver-manager over all of the Borrower’s Property, including the Lands. This affidavit is a supplement thereto.
3. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the First Saba Affidavit.

I. The Loan and Security Documents

4. As discussed at paragraph 13 of the First Saba Affidavit, the Lender and the Borrower entered into the Loan Agreement, pursuant to which the Lender agreed to advance the Loan to the Borrower to construct the Development. Due to a scanning error, the copy of the Loan Agreement attached as Exhibit “E” to the First Saba Affidavit is illegible. A clearer scan of the Loan Agreement is attached hereto as **Exhibit “A”**.
5. The principal sum of the Loan was initially \$5,150,000 (the “**Initial Loan Amount**”). However, by an agreement between the Lender and the Borrower, the principal sum was increased to \$5,350,000.
6. A Collateral Mortgage was initially granted to the Lender by the Borrower in the principal amount of \$5,150,000 and registered against title to the Lands on November 26, 2019 under registration number 191 241 210 (the “**Initial Mortgage**”). Attached hereto as **Exhibits “B”** and “**C**” respectively are copies of the Initial Mortgage and Instrument Number 201 011 929 being an Affidavit of Reduced Fees respecting the subsequent registration of the First Mortgage.
7. Subsequently, and as security for an additional advance of \$200,000 under the Loan Agreement, the Initial Mortgage was replaced by the First Mortgage, and registered against title to the Lands on January 16, 2020 under registration numbers 201 011 929 and 201 011 930. A copy of the First Mortgage is attached as Exhibit “F” to the First Saba Affidavit.

8. The First Saba Affidavit also attaches collectively as Exhibit “J” searches of the Alberta Personal Property Registry (“PPR”) in respect of the Trustee and Beneficial Owner (the “Searches”). By mistake, Exhibit “J” to the First Saba Affidavit was not duly commissioned. Attached hereto and marked together as **Exhibit “D”** are searches from the Alberta PPR as at November 24, 2022.
9. Attached as Exhibit M to the First Saba Affidavit is a copy of the Accepted Offer respecting the Development, with the purchase price thereunder being redacted. Pursuant to Article 8.2 of the Accepted Offer, the proposed purchaser’s conditions were to be satisfied or waived on or before October 8, 2022. As of the date of swearing this Affidavit, the conditions have not been satisfied or waived.
10. Further, Article 2.3 of the Accepted Offer provides that the contract will be completed on November 30, 2022. To the best of my knowledge, that completion date has not been extended.
11. I swear this Affidavit as a supplement to the First Saba Affidavit and in support of the Lender’s Application for a Receivership Order respecting the Borrower, and for no other purpose.

SWORN BEFORE ME at Vancouver, British Columbia, this 28th day of November, 2022.

A Commissioner for taking Affidavits for
British Columbia

MICHAEL SABA

OLIVER VERENCA
Barrister & Solicitor
Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, BC V6C 0A3
604 631 3141

This is Exhibit "A"
Referred to in the Affidavit of
Michael Saba
Sworn before me this 28 day
of November, 2022.

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

A Commissioner for Oaths in and for the
Province of British Columbia

September 23, 2019

Alvaro Developers Inc.
c/o Nadeem Keshavjee
Canada ICI Capital Corporation
430 – 2020 4th Street SW
Calgary, AB
T2S 1W3

COMMITMENT LETTER

Re: **Our Loan #4814**
First Mortgage Construction Financing for a twelve unit townhouse and condo project, located at 428 3rd Avenue NE, Calgary, Alberta.

On behalf of the Lender named herein, Bancorp Financial Services Inc. (hereinafter referred to as "Bancorp") is pleased to advise approval of financing (the "Loan"), subject to the following terms and conditions:

PURPOSE OF LOAN: The Borrower is seeking first mortgage construction financing for a development comprising 10 townhouse and 2 condo units, located at 428 3rd Avenue NE, Calgary, Alberta (the "Property").

BORROWER: Alvaro Developers Inc., and Alvaro Limited Partnership (the "Borrower").

COVENANTORS: The unlimited joint and several guarantees of Danny Astete, Pedro Ocana, Cruz Custom Homes Ltd., YYC Framing Ltd. and Sunset Homes Ltd. (collectively, the "Covenantor").


LOAN AMOUNT: \$5,150,000 first mortgage (the "Loan") loan. The loan will be funded on a work in place cost to complete basis as verified by the project's cost consultant.



Quantity Surveyor
(Cuthbert Smith)

The draws for the modular builder, Champion Homes, will be funded into the Lender's lawyers trust account. The funds will be advanced to trust in line with the fixed price contract with 30% posted on execution of the contract, 30% after half of the modules are completed and the final 40% on completion (these draws are subject to BTY's confirmation and amounts and times may change as the final contract has not been executed).

The Borrower has possession of the units. The lender will release 90% of the draw proceeds once the units are on site, with the balance of the proceeds released upon receipt of an occupancy permit. For greater clarity, 10% of the budget will be held in the Lender's lawyers trust account until occupancy permit is achieved.



LENDER: Bancorp Growth Mortgage Fund II Ltd., Bancorp Balanced Mortgage Fund II Ltd., Bancorp Financial Services Inc and/or nominee (collectively, the "Lender").

TERM:

Except in the event of default, the loan shall mature and become due and payable on January 31, 2021 (the "Maturity Date").

INTEREST RATE:

The interest rate shall be calculated monthly, not in advance, at the greater of 9.25% per annum, or the Canadian Imperial Bank of Commerce Prime Lending rate as established from time to time plus 5.30% per annum, until and including October 31, 2020. Thereafter to maturity, interest will be charged at the step rate, which will be the greater of 13.25% per annum or the Canadian Imperial Bank of Commerce Prime Lending rate plus 9.30% per annum. An interest reserve will be created from the Loan proceeds, which will be used to service the loan during the loan term.

(As of September 23, 2019, Canadian Imperial Bank of Commerce Prime Lending Rate is 3.95%)

REPAYMENT:

Monthly payments of interest shall be required during the term of the Loan commencing on the first day of the month following the date of the disbursement of funds and the balance of principal and interest shall be due and payable on the Maturity Date.

The project budget includes an interest reserve component and will be established from the loan proceeds to cover monthly interest payments. Upon full utilization of the budgeted interest reserve of \$325,000. The Borrower shall pay any interest due from its own resources (via Pre-Authorized Debit).

PRE-PAYMENT
PRIVILEGES:

The Loan may be repaid in whole or in part at any time subject to the Lender having received evidence of substantial completion of the Project.

DISBURSEMENT
OF ADVANCES:

- 1) No advances shall be made until all documentation has been completed and registered, all security is in place and all conditions of this commitment letter have been met to the satisfaction of Bancorp (acting on behalf of the Lender) with all data required having been approved by Bancorp and by its project consultant if and as applicable.
- 2) The Loan shall be disbursed on a work in place cost to complete basis as verified by the Project's cost consultant. The borrower will always have a minimum of \$1,430,000 of equity in the deal inclusive of the \$500,000 vendor take back mortgage.

Note:

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If necessary, and unless otherwise approved by Bancorp, the Initial Loan Advance must occur prior to October 15, 2019.

In the event of default, any balance of funds held in such trust account shall be applied on the Loan.

- 3) Any and all advances may be withheld if, in Bancorp's sole opinion, a material adverse change in risk occurs which would materially and adversely affect the

P.O.




value of the Property, the ownership or value of the Loan or should any representation or warranty made by the Borrower to Bancorp be shown to be incorrect or for any other reason in the sole and unfettered discretion of Bancorp.

- 4) Reference should be made to "STANDARD CONDITIONS" herein for additional provisions which may govern the disbursement of advances under this commitment.

COMMITMENT FEE:

A commitment fee of \$103,000 shall be due and payable upon acceptance of this commitment letter. This fee shall not be refundable and shall be deemed to have been fully earned by Bancorp and the Lender upon acceptance of this commitment letter by the Borrower.

As an accommodation to the Borrower, the commitment fee may be paid as follows:

	\$ 0	\$ 20,000	At the time of acceptance of the letter of intent (received);
		\$ 20,000	At the time of acceptance of this commitment letter;
	\$ 83,000	\$ 63,000	At the time of the initial disbursement of funds provided that this deferred payment is secured by the promissory note attached hereto as Schedule "B". The fully executed promissory note must be delivered to Bancorp with the acceptance of this commitment letter.
		<u>\$ 103,000</u>	

CONSTRUCTION
DRAW FEE:

\$250 per draw

SECURITY AND
DOCUMENTATION:

The security for the Loan shall include the following:

1. A 1st ranking mortgage charge and assignment of rents on terms and conditions acceptable to the Lender over the Property;
2. Priority and standstill agreement between the Lender and the VTB mortgagee, Guru Nanak Holdings Ltd.;
3. A 1st ranking general security agreement of the Borrower and Covenantor and registered under the applicable provincial *Personal Property Security Act*;
4. Assignment of any applicable letters of credit in relation to the Project;
5. Assignment of all construction contracts, plans, permits, and required approvals as necessary;
6. Full cost overrun and completion guarantee for the Project from the Covenantors;
7. Full covering property and all risks insurance and comprehensive general liability insurance with the Lender named as loss payee or additional insured on the Property;
8. Assignment of all individual unit purchase and sale agreements;
9. Environmental indemnity executed by the Borrower and Covenantor;

10. Commercial title insurance for the Loan;
11. Postponement of all shareholder and related party loans to the Borrower;
12. Unlimited joint and several guarantees from the Covenantors; and
13. All other standard security for a transaction of this nature.

Title to the security and all documentation are to be in a form satisfactory to Bancorp's solicitors.

The mortgage and all security documentation shall be completed and registered in the name of the Lender as set out herein. Notwithstanding such registration, the Loan shall be administered by Bancorp as Servicing Agent as set out under "STANDARD CONDITIONS" as Schedule 'A' hereto.

SOLICITORS:

All legal work and documentation is to be performed at the Borrower's expense by Bancorp's solicitors:

Fasken Martineau DuMoulin LLP

Mr. Brent Clark

2900 – 550 Burrard Street

Vancouver, B.C.

Canada V6C 0A3

Telephone: (604) 631-4852 Fax: (604) 631-3232

Email: bcclark@fasken.com

**SUBSEQUENT MORTGAGES
& CHARGES:**

At time of disbursement, there must be no other financial charges against the subject property except for those listed under "SECURITY AND DOCUMENTATION" hereinbefore. Following disbursement, there shall be no subsequent mortgages or other financial encumbrances registered against the subject properties without Bancorp's prior written consent.

**PARTIAL
DISCHARGES:**

Except in default, partial discharges will be provided upon payment to the Lender of the greater of (a) 100% of the Net Sale Proceeds (as defined below) arising upon the sale and transfer of any strata lot to a bona fide arm's-length purchaser thereof for value, and (b) 95% of the Approved Sale List, as agreed to by the Lender (attached as Schedule D to this letter).

"Net Sales Proceeds" shall mean the sales price (exclusive of GST), less reasonable legal and brokerage fees to a maximum of 5%. Sales at less than 95% of the Lender's approved sales list of each unit, will be subject to Bancorp's prior approval.

A copy of the applicable purchase/sales agreement, statement of adjustments, and disbursing solicitor's statement of funds received and disbursed for each unit sold are to be provided to Bancorp prior to the provision of partial discharges.

A deferred commitment fee of \$250 per unit shall be payable each time a partial discharge is provided.

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CANCELLATION &
EXPIRY:

Bancorp shall have the right to terminate this commitment, or to demand repayment of the Loan, in any one of the following events:

- a) the mortgage is not registered by October ³¹~~15~~, 2019; 31
- b) the initial disbursement of funds is not made by October ~~15~~, 2019;
- c) the conditions contained in this letter are not met, as determined by Bancorp in its sole discretion;
- d) there is a material adverse change in the risk of the Project which would materially and adversely affect the value of the Property, the ownership or value of the Loan or the Lender's ability to sell or of any of the representation or warranty made by the Borrower or the Covenantor is shown to be incorrect or for any other reason, as determined by Bancorp in its sole discretion;
- e) the representations and warranties made to Bancorp by the Borrower are shown to be incorrect; or
- f) the Lender determines, acting in its sole discretion, that there has been a deterioration in the creditworthiness of the Borrower or Covenantor between the date of this commitment and the date of an advance.

INTERPRETATION:

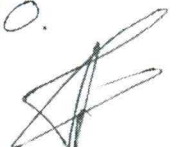
This commitment shall be interpreted in accordance with the laws of the Province of Alberta and treated in all respects as an Alberta contract.

FUNDING
CONDITIONS:

Prior to any advance of the Loan, Bancorp must review and approve all of the following conditions:

1. Satisfactory site inspection by an Officer of the Lender (completed);
2. Receipt and review of a satisfactory appraisal report valuing the completed Project not to be less than \$7,750,000. As well, transmittal letters addressed to Bancorp confirming Bancorp's use and reliance on the report; (outstanding)
3. Evidence of satisfactory insurance for the Property pursuant to Schedule C;
4. Copy of the construction agreement between the borrower and general contractors (i.e. Q Construction and Champion Homes);
5. Receipt and satisfactory review of an Environmental Site Assessment for the Property, along with a transmittal letter addressed to the Lender confirming Lender's reliance on same;
6. Financial statements of the Borrower and corporate Covenantor for the last three years including current year interim statements;
7. Copy of the development permit and building permit for the Project;
8. Copies of the project plans and specifications of the Project;
9. Copy of new home warranty for the Project;
10. Current quantity surveyors report addressed to the Lender, confirming that the total Project budget is \$6,580,000, and confirms the current work in place and cost to complete of the Project;

P.O.



11. Confirmation that at least 65% of the hard costs including all major sub-trades for the Project are under fixed price contracts, as to be verified by the cost consultant;
12. Receipt and satisfactory review of a geotechnical report along with a Letter of Transmittal confirming the Lender's reliance on the report (report received, LOT outstanding);
13. Copy of net worth statement for each Covenantor on Bancorp's standard form along with copies of titles for all properties listed on the net worth statement confirming ownership details and copies of last two years notice of assessment for their income tax returns;
14. Current dated Equifax report for the Borrower and Covenantor; and
15. All other standard funding conditions for a transaction of this nature as may be required by Bancorp.

SYNDICATION:

The Loan is subject to syndication by the Lender. The Lender shall remove the syndication clause within five (5) business days from the date of Borrower acceptance of this Commitment Letter, otherwise the subject Loan is null and void.

TIME FOR ACCEPTANCE:

The offer of financing as contained in this commitment letter shall be open for acceptance a duplicate of this letter to Bancorp before close of business on Thursday, September 26, 2019 ~~as well as receipt of the further deposit (\$20,000) payable to "Bancorp Financial Services Inc. In Trust"~~ after which time this offer of financing shall be voidable at Bancorp's option.

We wish to express our appreciation for the opportunity to provide this financial accommodation and look forward to a continuing mutually beneficial association.

Yours very truly,

BANCORP FINANCIAL SERVICES INC.



Mike Saba
Vice President



Garry Wong
President

P.O.



ACCEPTANCE

The Borrower hereby acknowledges and agrees to the terms and conditions contained in this commitment letter, that in consideration thereof the Commitment Fee is fully earned and authorizes Bancorp to instruct its solicitors to prepare the security documentation. If any advance under the Loan is not made within the time limited herein (other than as a result of the default of the Lender), at the election of the Lender by written notice to the Borrower, the Lender may cancel this commitment letter and its obligation to fund thereunder but the Borrower shall remain liable for all payment obligations hereunder including the Commitment Fee or any unpaid balance thereof, any Costs and Expenses as more fully described in the Standard Conditions attached hereto as Schedule "A" which have been incurred by the Lender and not reimbursed by the Borrower, and an amount equal to the Minimum Interest as provided for in the commitment letter which Minimum Interest is liquidated damages and not a penalty. The Borrower acknowledges and agrees that payment of the Commitment Fee and the Costs and Expenses are reasonable consideration for Bancorp and the Lender in investigating, underwriting and committing to make the Loan and that the Minimum Interest is a reasonable estimate of losses incurred by the Lender in holding monies available to fund the Loan and any losses suffered by the Lender if the Loan is not funded within the time limited herein, having regard to the fact that the Lender is not able to immediately reinvest the funds committed herein and that the reinvestment of committed mortgage funds involves significant costs. Such retention of the Commitment Fee, the Costs and Expenses, and an amount equal to the Minimum Interest are the minimum damages incurred by Bancorp and the Lender from the Borrower's failure to proceed with the loan accepted herein but shall not limit the right of Bancorp and the Lender to claim further losses and damages arising from such failure to proceed, whether or not the conditions precedent to funding set forth in this commitment letter have been satisfied.

Acknowledged and agreed to on this 26
9 day of Sept, 2019.

BORROWER:

ALVARO DEVELOPERS INC.

Per: 

ALVARO LIMITED PARTNERSHIP

Per: 

P.O.

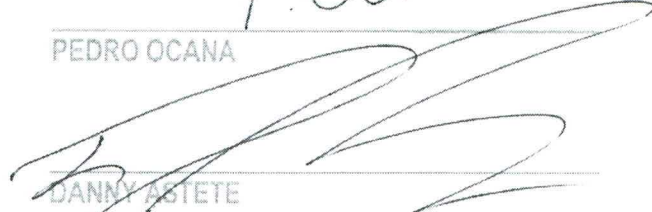


COVENANTORS:

The undersigned Covenantor hereby agree(s) to observe and perform all of the covenants and obligations of the Borrower herein and in respect of all Loan Documents and to indemnify the Lender in respect thereof; such covenant, guarantee and indemnity to be in the standard form used by Bancorp's solicitors for its mortgage loans and subject to the limitation, if any, as set out hereinbefore.

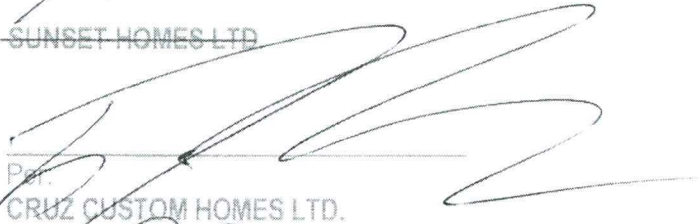


PEDRO OCANA



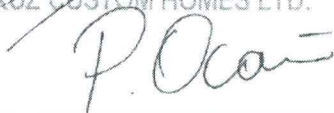
DANNY ASTETE

SUNSET HOMES LTD.



Per:

CRUZ CUSTOM HOMES LTD.



Per:

YYC FRAMING LTD.



Per:

SUNSET HOMES LTD.

BORROWER'S SOLICITOR:

We advise that the Borrower's solicitor for this transaction is:

NAME: Lev Kramar

FIRM: Masuch Law LLP

ADDRESS: 125, 8838 Blackfoot Trail SE, Calgary, AB T2J 3J1

PHONE: (403) 543-1100 FAX: (403) 543 1111

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STANDARD CONDITIONS:

The Loan is subject to the following Standard Conditions as applicable.

In the event of any inconsistency or conflict between these Standard Conditions and the Special Conditions and the other terms and conditions set out in the preceding pages of this commitment letter, the latter shall prevail.

SERVICING AGENT:

Notwithstanding that the mortgage and all other documents securing the Loan (collectively, the "Loan Documents") shall be completed and registered in the name of the Lender, the Loan shall be administered on behalf of the Lender by Bancorp Financial Services Inc. ("Bancorp") to which all correspondence, enquiries, principal and interest and other payments, and any other matters whatsoever with respect to the Loan should be directed.

BORROWER:

In accepting this commitment letter, the Borrower or Borrowers under the Loan (individually and collectively referred to herein as the "Borrower") certifies that it is (or shall be at the time of registration of the mortgage securing the Loan or collateral thereto) the registered and beneficial owner of the mortgaged property free of any trust(s). In the event that a trust or trusts exist or will exist, full details are to be provided to Bancorp prior to the Borrower's delivery of its acceptance of this commitment letter.

LOAN RENEWAL:

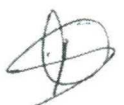
The Borrower and the Covenantor or Covenantors in respect of the Loan (individually and collectively referred to herein as the "Covenantor") covenant and agree with the Lender that any agreement in writing between the Borrower and the Lender, whether registered or not registered, for the renewal of the Loan or extension of the Maturity Date, or any part thereof, or for any change in the Interest Rate, including an increase in the Interest Rate, or for any other modification of the terms of the Loan, prior to the execution by the Lender of a discharge or release of the mortgage securing the Loan shall be effectual and binding to all intents and purposes on the mortgaged property and on the Borrower and Covenantor, and on any mortgagee, assignee, or other chargeholder, or transferee who acquires an interest in the mortgaged property or any part thereof subsequent to the date of the mortgage securing the Loan and shall take priority as against such mortgagee, assignee, or other chargeholder, or transferee, and shall not release or affect any covenant or agreement in the mortgage securing the Loan or in any other Loan Documents. The Borrower and Covenantor acknowledge and agree that nothing in this paragraph confers upon the Borrower a right to a renewal or an extension of the Maturity Date of the Loan.

FINANCIAL STATEMENTS:

Bancorp shall be provided with current, signed financial statements of the Borrower and Covenantor annually throughout the Term of the Loan. Corporate statements are to be prepared in accordance with generally accepted accounting format and principles.

These statements are to be satisfactory to Bancorp in its sole discretion.

P.O.



The Borrower and Covenantor shall provide such additional financial and other information as may be required by Bancorp from time to time relating to the Borrower, the Covenantor, the Project and/or the Loan.

Bancorp shall have the right at reasonable times upon request to inspect the Project, books of account, and other documentation and material relating to the Loan and the Project.

CREDIT REPORTS:

Bancorp shall be provided with current bank and credit reports on the Borrower and Covenantor. These reports are to be satisfactory to Bancorp in its sole discretion.

In accepting this commitment letter, the Borrower and Covenantor authorize Bancorp to make such credit investigations as and when it deems necessary from time to time.

CONSENT TO DISCLOSURE:

The Borrower and the Covenantor consent to and acknowledge that credit, financial and personal inquiries regarding the Borrower and the Covenantor, their respective officers, directors and principal shareholder(s), may be made at any time in connection with the Loan applied for and/or in connection with any assignment, sell down, syndication or securitization of the Loan by the Lender, and the Borrower and the Covenantor consent to the making of any such inquiries by or on behalf of the Lender and consent to disclosure, without restriction and without notice to or the consent of the Borrower or the Covenantor of any such information to any credit reporting service, financial institution, rating agency, participant, investor, certificate holder, assignee or purchaser of all or any part of the Loan or interest therein and any organization maintaining databases on the underwriting and performance of commercial mortgage loans. The Borrower and Covenantor irrevocably waive any and all rights they may have under applicable law to prohibit such disclosure including, but not limited to, any right of privacy. The Borrower and Covenantor acknowledge that the aforementioned collection, use and disclosure of personal information is appropriate in these circumstances.

CONSTRUCTION LOANS:

1. In accepting this commitment letter, the Borrower and the Covenantor undertake that they:
 - (a) shall, in the event any Project approved costs in excess of the approved Project budget are identified and regardless of the cause of the deficiency, inject such additional funds into the Project as are necessary to reduce the cost-to-complete for the Project, including interest accruing due under the Loan, to an amount no greater than the remaining unadvanced portion of the Loan;
 - (b) shall provide regular and ongoing status reports on the development and sales and leasing (if applicable) at least monthly in respect of the Project;
 - (c) shall perform and do all things and acts that are necessary to complete the Project in accordance with the approved Project budget and the construction schedule accepted by Bancorp;
 - (d) shall permit the Lender and its Project consultant(s) to inspect the Project at any time and to review all contracts, plans, reports, budgets, surveys, insurance policies, invoices, permits and letters of credit relating to the Project and such other documentation and information requested by the Lender and its Project consultant(s) from time to time, and the costs of the foregoing shall be for the account of the Borrower and/or Covenantor;

P.O.



- (e) shall comply in all relevant aspects with the provisions of the Builders Lien Act (~~British Columbia~~); **Alberta**
 - (f) as and when requested by the Lender, shall provide to the Lender complete bank records relating to all holdbacks including cancelled cheques, bank statements and completion certificates as the Lender may reasonably require; and
 - (g) shall grant and hereby grants to the Lender the right and authority for the Lender to obtain all information relative to the holdback account(s) from the financial institution(s) where the holdback(s) is/are retained.
2. Immediately prior to each construction progress advance, the Lender shall be provided with an inspection report from a duly qualified Project consultant appointed by the Lender confirming that construction to date of inspection complies with the approved plans and specifications, that it is of acceptable quality and is progressing on schedule, and verifying the percentage of work completed to date of inspection and the estimated cost to complete. Should more than one month elapse between progress advances on the Loan, the Borrower shall provide such additional inspection reports as may be requested by the Lender.
3. In addition, in accepting this commitment letter, the Borrower and the Covenantor approve, direct and authorize any prior charge holders, the Lender and Bancorp to liaise and communicate directly with each other at any time without further approval by the Borrower or the Covenantor, and authorize any prior charge holder, the Lender and Bancorp to release any information with respect to its charge(s) on the Project and any other information they may have with respect to the Project, the Borrower or any Covenantor directly to the lender requesting any such information.

LOAN PROCESSING FEES:

The Borrower and the Covenantors agree to pay to the Lender:

- (a) shall pay to the Lender a fee of ~~\$500.00~~ ^{\$250} in respect of each construction progress advance under the Loan on or before the funding of each advance, all of which fees will be deemed to have been earned by the Lender and to be owing by the Borrower as at the date of each draw construction progress advance and/or document or discharge executed by the Lender and its land be secured by the mortgage securing the Loan;
- (b) a document execution fee of \$250.00 for each plan or other land title document required to be signed by the Lender plus the Lender's reasonable legal fees and disbursements, if any;
- (c) a discharge fee of \$250.00 for each legal title for which the Borrower requests and the Lender grants a discharge of the Security; and
- (d) ~~a standby fee at 5 bps (0.05%) per month on the daily average undrawn portion of the facility, payable monthly through construction advances, unless waived in accordance with the terms of this commitment letter~~

INSURANCE:

Insurance must be provided in accordance with the attached Insurance Guidelines for Mortgaged Properties.

P.O. 

Insurance documents must be forwarded to Bancorp's insurance consultants for review and approval at least 2 days prior to the anticipated initial funding date.

All costs associated with the insurance review are for account of the Borrower.

All improvements must be insured for the minimum term of the Loan against all hazards for their full insurable value with loss payable to the Lender.

TAXES

Municipal/City/Rural

All property taxes and utilities payable in respect of the Project shall be paid in full when due with evidence of payment being provided to Bancorp not later than thirty (30) days following the payment due date. Property taxes and utilities shall be in a current position at the time of any Loan advance. The Lender reserves the right to collect 1/12 of the estimated annual property taxes with each regular monthly payment of interest or of principle and interest under the Loan.

Harmonized Sales Taxes/Goods and Services Tax

On request by the Lender or the Project consultant, all Harmonized Sales Tax and Goods and Services Tax payable by the Borrower in respect of Project lot sales shall be remitted directly to Revenue Canada by the Borrower's solicitor or notary public immediately on completion of such sales, with evidence of such payment provided to the Lender.

SURVEY:

For construction loans or loans secured by an existing building(s) or other improvements, prior to any advances, an up-to-date surveyor's certificate and survey plan (prepared by a registered B.C. land surveyor acceptable to Bancorp) in respect of the property to be mortgaged is to be furnished at the Borrower's expense. Such surveyor's certificate and survey plan, together with any other certification required, are to establish to the satisfaction of Bancorp and its solicitors:

- (a) the boundaries and dimensions of the property;
- (b) the location of the building(s) and other improvements on the property and that the location and construction of the building(s) and other improvements comply with all rules, regulations, and by-laws of the appropriate municipal authority having jurisdiction in connection therewith including, without limitation, compliance with all setbacks, easements, zoning and height restrictions;
- (c) that the building(s) and other improvements do not encroach upon adjoining lands, easements, rights of way or covenant areas and that there are no encroachments upon the property;
- (d) the location of all registered easements, rights of way and covenant areas; and
- (e) the dimensions of the building(s) foundations.
- (f) Following completion of the foundations and prior to funding of any superstructure elements of the Project, a surveyor's certificate and sketch of survey prepared by a registered British Columbia land surveyor acceptable to the Lender. The certificate is to confirm the location of any buildings and other improvements constructed on the Lands and that the location and exterior dimensions of such buildings and other improvements comply with all rules, regulations and by-laws of the appropriate municipal or other Governmental Authorities having jurisdiction in this regard including, without limitation, all statutory rights of way, public and private easements, and setback and zoning restrictions.

PERMITS & ZONING:

The Borrower agrees to provide written authority, duly signed, addressed to the requisite municipal or other authority having jurisdiction, so as to allow release to Bancorp or to the Lender of any information contained in the records of such authority respecting the Project and, at the option of Bancorp or of the Lender, to permit an inspection of the Project by such authority to determine any outstanding work orders or deficiencies.

COMPLIANCE WITH ALL APPLICABLE LAWS

The Borrower and the Covenantor hereby represent, warrant, covenant and agree that the mortgaged property and the development, ownership, operation and management thereof now complies with and will hereafter at all times comply with all applicable federal and provincial statutes, regulations, orders, rules, codes, directions, standards, permits, authorizations, guidelines and requirements; all civic and municipal by-laws, regulations, orders, rules, codes, directions, standards, permits, authorizations, guidelines and requirements; all orders, rules, codes, directions, regulations, standards, permits, authorizations, guidelines and requirements of any body, board, authority or other person (including but not limited to a fire marshal, a manager appointed under any environmental legislation, an inspector and any official, person, delegate or body appointed under any by-law, order, statute or regulation having authority with respect to the mortgaged property), concerning any matter occurring on or affecting the mortgaged property or its use or any act or activity occurring on or about the mortgaged property, including without limitation all such statutes and regulations which prohibit or restrict the use and cultivation of illegal drugs and substances and the conduct of illegal activities (collectively, "Laws").

ARCHITECTURAL PLANS:

- (a) For construction loans, two full sets of the final Project working drawings (stamped by the appropriate municipal authority and consultants) and detailed specifications (including finishing detail) are to be submitted for approval by Bancorp and its Project consultant prior to any advance of funds. Such approval shall not be unreasonably withheld.

In accepting this commitment letter, the Borrower and the Covenantor warrant that the Project shall be constructed in accordance with the plans and specifications provided to and approved by Bancorp and its Project consultant.

- (b) For loans secured by an existing building(s) or other improvements, Bancorp shall be provided with a full set of plans prior to any advance of funds.


STRATA (CONDOMINIUM) CORPORATION:

In the event the lands and building(s) comprising the security for the Loan are to be subdivided into strata (condominium) lots, the strata (condominium) plan must be submitted to, and approved by, Bancorp's solicitors prior to Bancorp consenting to such subdivision.

The Borrower's strata (condominium) corporation voting rights are to be assigned to the Lender

HAZARDOUS MATERIALS:

The Borrower and the Covenantor warrant and represent that the mortgaged property is free of any matter, substance, condition, thing, odour, waste or material which is or might be harmful or hazardous to persons or property or to the health, welfare or safety of humans, animals, plants or the environment generally or that, if added to any water or released or emitted into the air or ground, would degrade or

P.O. 

alter or form part of a process of contamination, degradation or alteration of such water, air or ground or would create or contribute to the creation of a condition of such water, air or ground that is detrimental to its use by or to the health, safety or welfare of persons or animals or causes damage to plant life or property; any radioactive material or explosive; any substance, contaminant, material or condition declared from time to time to be hazardous, dangerous or toxic under any Laws, including asbestos, urea formaldehyde foam insulation, radon gas, polychlorinated biphenyls, chlorofluorocarbons, hydrochloro-fluorocarbons, perchloroethylene, tetrachloroethylene, petroleum and associated products and solvents; and any substance, contaminant, material or condition the release, storage, handling or transportation of which is prohibited, controlled or regulated by any Laws, including without limitation the Environmental Management Act (British Columbia) as amended or replaced from time to time, and any other substance, contaminant, material or condition which is or may become hazardous, toxic or dangerous to persons or property (collectively, "Hazardous Substances"). The Borrower and the Covenantor further warrant and represent that the mortgaged property is not currently used in a manner, and, to the Borrower's and the Covenantor's knowledge, no prior use has occurred, which is contrary to any Laws, including without limitation relating to Hazardous Substances. The Borrower and the Covenantor shall indemnify and save harmless Bancorp and the Lender and their officers, directors, employees, agents and shareholders and their respective successors and assigns from and against any and all losses, claims, costs, expenses, damages or liabilities whatsoever (including without limitation, legal costs on a solicitor and own client basis and the costs of removal, storage and disposal of any Hazardous Substances and remediation of the mortgaged property) suffered or incurred by Bancorp and the Lender as a result of the existence of any Hazardous Substances on the mortgaged property, now or in the future, whether known or unknown, any breach of the covenants, agreements, warranties and representations with respect to Hazardous Substances contained herein or in the mortgage or other Loan Documents, any orders or lawful requirements with respect to Hazardous Substances, and any breach of any Laws. The representations, warranties and indemnities as contained herein will not merge in the mortgage and other Loan Documents and will continue to be in full force and effect at all times hereafter and shall survive the repayment of the Loan, interest and all other amounts owing to the Lender under this commitment letter, the mortgage and other Loan Documents, the discharge and release of the mortgage from title to the mortgaged property, the release of the Borrower and any Covenantor from their respective covenants and agreements contained in the mortgage or any Loan Documents and shall continue in full force and effect even after the Lender has exhausted any remedy that it is entitled to pursue under the mortgage or any Loan Documents. Bancorp or the Lender, at their sole discretion acting reasonably, may require that an independent professional certification be obtained at the sole cost of the Borrower to confirm the absence of Hazardous Substances on or in the mortgaged property. Notwithstanding any other provision hereof the Lender shall have no obligation to make an advance hereunder unless the Lender is satisfied concerning the absence of Hazardous Substances on the mortgaged property.

LEGAL & OTHER COSTS AND EXPENSES:

Neither the Lender nor Bancorp shall be liable for any expenses, legal or otherwise, relating to the Loan, whether or not the Loan is advanced in whole or in part or is unadvanced.

The Borrower and the Covenantor agree to be responsible for all costs, fees and expenses (collectively, the "Costs and Expenses") associated with the Borrower's application for the Loan, this commitment letter and the Loan and security documents, including, without limitation, legal fees and disbursements, application, appraisal, re-appraisal, inspection, insurance, survey, mortgage insurance, title insurance, cost consultant, insurance consultant and any other costs, fees or expenses whatsoever incurred in connection with the Loan.

P.O.



If the Borrower makes any payments due to the Lender under the Loan by way of cheque and that cheque is returned or not honoured by the Borrower's bank, then the Borrower shall, in addition to any accrued interest, pay to the Lender the sum of \$200.00 as a genuine pre-estimation of the liquidated damages suffered by the Lender due to increased administration costs, and any such sums shall be added to the Loan and bear interest at the Loan interest rate and be secured by the mortgage.

ASSIGNMENT:

Neither this commitment letter nor the Loan Documents nor the proceeds of the Loan shall be assignable by the Borrower or the Covenantor without the prior written consent of the Lender.

The Lender retains the right to transfer, assign or sell in whole or in part its interest in this commitment letter and in the mortgage and other security documentation securing the Loan to a lender or lenders of its choice on the terms and conditions as set out in this commitment letter at its sole discretion.

SALE OF THE PROPERTY:

The Borrower by acceptance of this commitment letter, covenants and agrees with the Lender that in the event of the Borrower selling, conveying, transferring or entering into an agreement for sale or of transfer of title to the mortgaged property securing the Loan or any interest therein to a purchaser or transferee not approved of in writing by the Lender, which approval shall not be unreasonably withheld, all monies hereby secured with accrued interest thereon shall become due and payable at the Lender's option and sole discretion.

This provision shall not apply to projects where repayment of the Loan is normally intended to be from the closing of sales of individual units or lots comprising the project.

REORGANIZATION, CHANGE OF CONTROL:

If the Borrower or Covenantor undergoes a reorganization (including without limitation a merger or amalgamation or winding up), or issues or transfers any of its shares such that in the reasonable opinion of the Lender the effective control of the Borrower or Covenantor changes, in each case without the prior written approval of the Lender such approval not to be unreasonably withheld, all monies hereby secured with accrued interest thereon shall become due and payable at the Lender's option and sole discretion.

BORROWER'S AND COVENANTOR'S REPRESENTATIONS:

The Borrower and the Covenantor hereby represent and warrant to Bancorp and to the Lender that as of the date hereof:

- (a) in the case of a Borrower that is not an individual, it is a corporation, partnership, trust or other entity (as applicable) duly organized, validly existing and in good standing under the laws of the jurisdiction under which it is incorporated or otherwise created and has all powers necessary for the making and performing of all of its covenants and obligations under this commitment letter and related Loan Documents, the borrowing of money, the execution and delivery of this commitment letter and related Loan Documents, the owning and leasing of the Project, and for the carrying out of the transactions contemplated hereby;
- (b) in the case of a Covenantor that is not an individual, it is a corporation, partnership, trust or other entity (as applicable) duly organized, validly existing and in good standing under the laws of the jurisdiction under which it is incorporated or otherwise created and has all powers

necessary for the making and performing of all of its covenants and obligations under this commitment letter and related Loan Documents, the execution and delivery of this commitment letter and related Loan Documents, and for the carrying out of the transactions contemplated hereby;

- (c) the Borrower is duly authorized, qualified and licensed under all applicable Laws to carry on the business of owning and leasing the Project;
- (d) all necessary proceedings have been taken to authorize the execution, delivery and performance of this commitment letter and related Loan Documents and the consummation of the transactions contemplated hereby and thereby;
- (e) there is no action, suit, proceeding, or investigation pending or threatened against the Borrower or Covenantor or affecting the Borrower or Covenantor or any property of the Borrower or Covenantor at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or other body which place in question the validity or enforceability of this commitment letter or the Loan Documents or any action to be taken in connection therewith;
- (f) it is not in default under, or is in violation of any provision of, its Articles or By-Laws in any material respect, any applicable Law or, in any material respect any indenture, agreement, lease, deed of trust, mortgage, bond or other evidence of indebtedness or other instrument by which it is bound;
- (g) it is not insolvent, bankrupt or proceeding with a winding-up, whether voluntary or involuntary;
- (h) all financial statements presented to Bancorp or the Lender are true and correct in all material respects as at the date and for the periods indicated and have been prepared in accordance with generally accepted accounting principles.

The Borrower and the Covenantor shall provide to Bancorp or to the Lender a certificate on the date of advance hereunder that the warranties and representations hereinbefore set out continue to be true and correct.

If, at any time before the advance of mortgage funds, there is or has been any material discrepancy or inaccuracy in any written information statement or warranty or representation made or furnished to Bancorp or to the Lender by or on behalf of the Borrower or Covenantor concerning the Project or the Borrower or the Covenantor, then the Lender shall be entitled forthwith to cancel its obligations hereunder by notice to the Borrower.

APPOINTMENT OF RECEIVER:

The mortgage securing the Loan and the security agreement shall each contain an appropriate provision permitting the Lender to appoint a receiver or a receiver and manager of the Project assets in the event of the default of the Borrower with any costs being the Borrower's obligation.

NO MERGER:

It is understood and agreed that the execution, delivery and registration of the mortgage and other Loan Documents shall in no way merge or extinguish this commitment letter or the terms and conditions hereof, which shall survive and continue in full force and effect; provided, however, that in case of any inconsistency or conflict between the terms of this commitment letter and any Loan Documents, or as between any Loan Documents, the agreement or provision thereof which provides greater rights to the Lender will prevail and if there is any disagreement as to which agreement or provision thereof ought to prevail the determination will be made by the Lender in its sole discretion.

WAIVER:

P.O. 

All conditions precedent to the making of any advance of the Loan by the Lender are imposed solely and exclusively for the benefit of the Lender and its assigns and any or all of such conditions may be waived by the Lender in writing in whole or in part at any time in its sole discretion if it deems it advisable to do so.

NOTICES:

Any notice, statement, request for approval, approval or demand required to be given under this commitment letter shall be in writing and may be delivered personally or sent by certified or registered mail, return receipt requested, addressed, if to the Lender, to:

Bancorp Financial Services Inc.
#1420 - 1090 West Georgia Street
Vancouver, BC V6E 3V7
Attn: Manager Mortgage Administration

and if to the Borrower or Covenantor, to the address set out on page 1 of this commitment letter.

Any such notice, statement, or demand, if delivered personally, shall be deemed to be given upon delivery and, if sent by registered or certified mail, shall be deemed to have been given five days after mailing as aforesaid in any regularly maintained governmental post office or branch post office. In the event of a threatened or actual postal disruption, any notice shall be given by actual delivery to the party to whom it is to be given and the notice shall be deemed received on the day it is delivered.

FINANCING SIGN:

The Borrower, by acceptance of this commitment letter, grants Bancorp the right to erect a financing sign on the mortgaged property at Bancorp's expense. The Borrower shall be responsible for relocation of the sign as may be necessary from time-to-time during construction. The sign shall be in a prominent place and shall not be removed until the Loan is repaid or as instructed by Bancorp.

ANTI-MONEY LAUNDERING:

The Lender shall obtain satisfactory results of any investigations conducted pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.

MAXIMUM RETURN TO LENDER:

The Borrower and Covenantor acknowledge and agree that the payment of interest and any bonus and further consideration to the Lender is a fair payment based on the business terms of the Loan. The Borrower and Covenantor and the Lender acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Lender whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada) and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this commitment letter or mortgage securing the Loan or any additional security documents or agreements, the interest payable on the credit advanced under the mortgage securing the Loan (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada)) shall not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Borrower and Covenantor would, but for this clause, be obligated to pay interest on the credit advanced under the mortgage securing the Loan at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada)) the interest payable on the credit advanced hereunder shall be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted

actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of any fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Interest Rate. In the event that the Borrower and/or Covenantor(s) have paid to the Lender interest at a criminal rate on the credit advanced under the mortgage securing the Loan (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada)), the Lender shall at the request of the Borrower and/or Covenantor refund to the Borrower and/or Covenantor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this commitment letter shall be modified and are deemed to be modified to the extent necessary to effect the foregoing.

AMENDMENTS:

No term or requirement of this commitment letter or of the mortgage or any other Loan Documents securing the Loan may be waived or varied orally or by any course of conduct of any employee of Bancorp or the Lender. Any amendments to this commitment letter or to the mortgage securing the Loan or any other Loan Documents, and any waiver of any term or requirement of this commitment letter or the mortgage security the Loan or any other Loan Documents must be in writing signed by two duly authorized officers of Bancorp or the Lender.

CAPTIONS AND HEADINGS:

The captions and headings contained in this commitment letter are for convenience or reference only and in no way define, limit or enlarge the scope, meaning or intent hereof or in any way this commitment letter.

ENTIRE AGREEMENT:

This commitment letter and all documents herein contemplated constitute the entire agreement among the parties hereto pertaining to this transaction and supersedes all prior agreements, understandings and negotiations in connection therewith.

TIME OF THE ESSENCE:

Time is of the essence in this commitment letter

JOINT AND SEVERAL LIABILITY:

If the Borrower is more than one person, all covenants and obligations of the Borrower under this commitment letter and related Loan Documents shall be joint and several, unless otherwise specified in this commitment letter and related Loan Documents. If the Covenantor is more than one person, all covenants and obligations under this commitment letter and related Loan Documents shall be joint and several as between each Covenantor and with the Borrower, unless otherwise specified in this commitment letter and related Loan Documents.

EXECUTION BY FACSIMILE AND ELECTRONIC TRANSMISSION:

This commitment letter may be executed by the parties and transmitted by facsimile and/or electronic transmission and if so executed and transmitted this commitment letter shall be for all purposes as effective as if the parties had delivered an executed original copy of this commitment letter





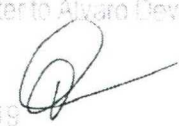
\$83,000

PROMISSORY NOTE

PRINCIPAL SUM: ~~\$63,000~~

FOR VALUE RECEIVED, we promise to pay to, or to the order of, Bancorp Financial Services Inc., the principal sum of ~~sixty three thousand dollars~~ (hereinafter referred to as the "Principal Sum") on the earlier of:

~~eighty~~

- (a) at the earlier of the date of the advance of funds Bancorp Financial Services Inc. commitment letter to Alvaro Developers Inc. dated September 23, 2019 and referenced loan # 4814
- (b) ~~October 15, 2019~~ 31 

The undersigned shall have the right to repay all or part of the Principal Sum hereof at any time without notice or bonus.

The payment of such Principal Sum shall be made in lawful money of Canada at #1420, 1090 West Georgia Street, Vancouver, BC, V6E 3V7, or such other place designated in writing by the holder of this Promissory Note.

DATED this ²⁶~~27~~ day of SEPTEMBER 2019.

BORROWER:

ALVARO DEVELOPERS INC.


ALVARO LIMITED PARTNERSHIP

GUARANTOR:

SUNSET HOMES LTD.

CRUZ CUSTOM HOMES LTD.

Per: 
YYC FRAMING LTD.

Per: 
PEDRO OCANA


DANNY ASIF

P.O. 

INSURANCE GUIDELINES FOR MORTGAGED PROPERTIES

Where required by the terms of this commitment letter, insurance policies are subject to review and approval of Bancorp's insurance consultants. Forward documents together with the attached Authorization/Consent form to:

In Tech Risk Management Inc.
3 Church Street, Suite 400
Toronto, Ontario M5E 1M2

Gordon Tulloch/Heather Chatham
Tel. 416-348-1261
Fax 416-348-9121
Gordon Tulloch (gtulloch@intechrisk.com)
Heather Chatham (hchatham@intechrisk.com)
Lenders@intechrisk.com

at least 2 business days prior to anticipated funding date

WHILST UNDER CONSTRUCTION


"All Risks," Earthquake, Flood, Sewer Back-up, Delayed Opening (at least equivalent to I.A.O. Form 507).

- ~ Insurance for 100% of replacement cost including foundations and all parts below ground level.
- ~ Insurance for 100% of all soft costs including interest and fees.
- ~ Insurance for 100% of the gross annual rents or rental value.
- ~ By Laws Coverage for Property & Boiler and Machinery Policies
- ~ Permission for partial or full occupancy.
- ~ Delayed opening/Income
- ~ Replacement Cost Clause. -- Same or Adjacent Site Clause Removed
- ~ Standard Mortgage Clause.
- ~ Loss Payable in addition to Mortgagee of record.
- ~ 30-Days Notice of Material Change or Cancellation to Loss Payee.

Comprehensive General Liability

- ~ Minimum \$2,000,000 Inclusive Limited.
- ~ Lender to be Additional Insured to the CGL
- ~ Third Party Property Damage and Bodily Injury.

Wrap-up Liability

P.O. 

- ~ Minimum \$5 million and must include all contractors, sub-contractors and trades.

Architects' and Engineers' Errors and Omission Insurance

- ~ Minimum \$1 million or such greater amount as the Lender may reasonably require.
- All of the above policies to be with Insurers and on terms and conditions satisfactory to the Mortgagee.

EXISTING BUILDINGS OR UPON COMPLETION OF CONSTRUCTION

"All Risks," Earthquake, Flood, Sewer Back-up, Loss of Income (at least equivalent to I.A.O. Commercial Building Form).


- ~ Insurance for 100% of replacement cost including foundations and all parts below ground level.
- ~ Insurance for 100% of the gross annual rents and, if on a net basis, the equivalent gross rentals for a one-year period.
- ~ Replacement Cost Clause – Same or Adjacent Site Clause Removed
- ~ Loss Payable in addition to Mortgagee of record.
- ~ Business Interruption – Gross Rents/Profits
- ~ Stated Amount Clause. – No Co-insurance
- ~ By Laws Coverage for Property & Boiler and Machinery
- ~ Standard Mortgage Clause.
- ~ Loss Payable to Mortgagee of record.
- ~ 30-Days' Notice of Material Change or Cancellation to Loss Payee.

Boiler and Machinery, Broad Form Direct Damage, Use and Occupancy, Earthquake.

- ~ Insurance for 100% of the gross annual rents and, in on a net basis, the equivalent gross rentals for a one-year period.
- ~ Repaid or Replacement Endorsement.
- ~ Suspension of Co-Insurance.
- ~ By-Laws Endorsement.
- ~ Mortgage Interest Clause.
- ~ Loss Payable to Mortgagee of Record.
- ~ 30-Days' Notice of Material Change or Cancellation to Loss Payee.


Comprehensive General Liability.

- ~ Minimum \$2,000,000 inclusive limit.
- ~ Lender to be Additional Insured to the GL

P.O. 

~ Third Party Property Damage and Bodily Injury.

All of the above policies to be with Insurers and on terms and conditions satisfactory to the Mortgagee.

P.O. 

Borrower Authorization/Consent

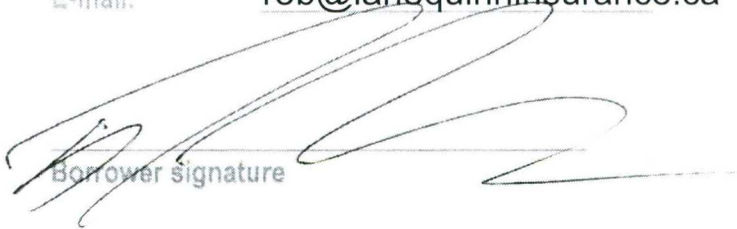
I/we hereby authorize the under noted Broker to release the insurance information required by Bancorp Financial Services Inc. and their insurance risk management consultant, INTECH Risk Management Inc., for this transaction.

Broker name: Rob Klewchuk, Lane Quinn Insurance

Address: Suite 250, 1011 - 9th Avenue SE
Calgary, Alberta, T2G 0H7

Phone no.: (403) 585-2096 Fax#:

E-mail: rob@lanequinninsurance.ca


Borrower signature

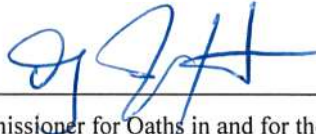
Borrower signature

SCHEDULE "D"

APPROVED PRICE LIST FOR THE PROJECT

Unit	Size	Basement	Building	Beds	Value	\$ / SF
1	1,474	Yes	South	4	\$ 700,150	475
2	1,474	Yes	South	4	\$ 700,150	475
3	1,474	Yes	South	4	\$ 700,150	475
4	1,458	Yes	South	4	\$ 692,550	475
5	1,489	Yes	South	4	\$ 707,275	475
6	1,474	No	North	3	\$ 700,150	475
7	1,474	No	North	3	\$ 700,150	475
8	1,474	No	North	3	\$ 700,150	475
9	1,458	No	North	3	\$ 692,550	475
10	1,489	No	North	3	\$ 707,275	475
11	753	No	North	1	\$ 376,500	500
12	433	No	North	1	\$ 248,975	575
	15,924				\$ 7,626,025	\$ 479

This is Exhibit "B"
Referred to in the Affidavit of
Michael Saba
Sworn before me this 28 day
of November, 2022.

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

A Commissioner for Oaths in and for the
Province of British Columbia

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

191241210

ORDER NUMBER: 45934843

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

COLLATERAL MORTGAGE

I/WE, **ALVARO DEVELOPERS INC.** (hereinafter referred to as the "Mortgagor") having an address at 223 Lakeside Greens Court, Chestermere, Alberta T1X 1C8, being registered owner of an estate in fee simple (subject to registered encumbrances, liens and interests, if any) in all those lands legally described in Schedule "A" attached hereto (hereinafter referred to as "the land"), IN CONSIDERATION OF the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with **BANCORP FINANCIAL SERVICES INC., BANCORP BALANCED MORTGAGE FUND II LTD., BANCORP GROWTH MORTGAGE FUND II LTD.** each having the address at 1420 - 1090 West Georgia Street, Vancouver, BC V6E 3V7 (collectively, hereinafter referred to as the "Mortgagee") as follows:

- (1.) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
- (a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of FIVE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$5,150,000.00);
 - (b) the Enforcement Obligations (as hereinafter defined); and
 - (c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

"Liabilities" means all amounts owing to the Mortgagee from time to time in respect of the commitment letter dated September 23, 2019 issued by the Mortgagee to and accepted by, *inter alia*, the Mortgagor in connection with the Liabilities, and any other term sheet, commitment letter or loan agreement entered into at any time between the Mortgagor and the Mortgagee to evidence the terms of the Liabilities, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time (the "Commitment Letter") (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and

whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

"Prime Rate" means the annual rate of interest established and announced from time to time by Canadian Imperial Bank of Commerce as being the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

- (2.) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute *prima facie* evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein, in the Commitment Letter or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time at the dates, times and in the manner set out in the Commitment Letter, such interest to be calculated at a rate equal to the Prime Rate plus FIFTEEN percent (15.00%) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.
- (3.) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at the same rates applicable to the Liabilities, calculated and payable in accordance with the terms of the Commitment Letter.
- (4.) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

(5) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:

- (a) has a good title to the land and premises;
- (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
- (c) will execute such further assurances of the land and premises as may be requisite; and
- (d) has done no act to encumber the land and premises.

(6) **Covenants:** The Mortgagor further covenants with the Mortgagee that:

- (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding,

reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;

- (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;
- (e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the

mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

- (f) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
 - (g) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and
 - (h) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.
- (7.) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will

give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.

- (8.) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:
- (a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;
 - (b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it

shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;

- (c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate of twenty-five percent (25.00%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;
- (d) **Distraint:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;
- (e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from

time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5.00%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and

- (f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.
- (9.) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, become bankrupt or insolvent or shall be subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant pursuant to this mortgage.
- (10.) **Costs to Protect Security:** All fees, charges, costs (including solicitor's fees and disbursements as between a solicitor and his own client) or expenses levied or charged by

any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.

- (11.) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.
- (12.) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of

any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.

- (13.) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.
- (14.) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (15.) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (16.) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to the Prime Rate plus TEN percent (10.00%), calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (17.) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been

received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagor.

(18.) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:

- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
- (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
- (c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;
- (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
- (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;

- (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;
 - (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
 - (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (19.) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:
- (a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;
 - (b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and
 - (c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.
- (20.) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of

the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.

- (21.) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.
- (22.) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.
- (23.) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the *Interest Act* (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the *Interest Act* (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
- (24.) **Type of Land Ownership:**
 - (a) **Freehold:** If this mortgage is a mortgage of a fee simple interest, the Mortgagor represents and warrants to the Mortgagee that it has a fee simple interest in possession in the mortgaged property and that it has full power to mortgage the mortgaged property.
 - (b) **Leasehold:** If the interest of the Mortgagor in the mortgaged property derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the mortgaged property (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:
 - (i) all references in this mortgage to "mortgaged property" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of this mortgage;

- (ii) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the mortgaged property, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the term of the mortgage, and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof, as security for the payment to the Mortgagee of the Liabilities, plus the interest on the Liabilities, Enforcement Obligations and all other amounts secured by this mortgage and for the performance of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage;

(25.) **Representations and Warranties regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold title, the Mortgagor represents and warrants to the Mortgagee that:

- (a) the leasehold estate which is the subject of this mortgage arises under the Lease, which has not been further modified or amended;
- (b) the Lease is a valid, effective and subsisting lease which has not been surrendered or forfeited, and the Lease is not presently subject to any assignment, mortgage or other encumbrance;
- (c) the Mortgagor has taken possession of the mortgaged property and all sums due under the Lease have been paid in full to the date hereof;
- (d) the Mortgagor has full power to mortgage the Lease (subject to the consent, if necessary, of the lessor), and if the consent of the lessor is required, such consent has either been obtained or will be obtained prior to any advance of monies secured by this mortgage; and
- (e) "Lease" means the lease from _____ to _____ dated _____ commencing on _____ and _____ expiring on _____, subject only to the following amending agreements, if any:

(26.) **Covenants regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold estate, the Mortgagor covenants with the Mortgagee that:

- (a) it will not modify or amend or consent to any modification or amendment to the Lease without the prior written consent of the Mortgagee;

- (b) it will not surrender or forfeit or consent to any surrender or forfeiture of the Lease, and it will not without the prior written consent of the Mortgagee further assign, mortgage or otherwise encumber the Lease;
- (c) it will not postpone or subordinate its interest in Lease to any other mortgage or encumbrance without the prior written consent of the Mortgagee;
- (d) it will faithfully comply with each provision of the Lease and will do all things necessary to preserve the Lease and the lessee's rights thereunder;
- (e) it will promptly notify the Mortgagee of any default under the Lease by the Mortgagor, or the giving or receipt of any notice of default in respect thereof, and it agrees to request that the lessor provide the Mortgagee with the opportunity (but not the obligation) to cure any default under the Lease and any amount which may be required to be paid by the Mortgagee to cure such default and the costs thereof (including any legal costs as between solicitor and client) shall constitute an Enforcement Obligation;
- (f) the Mortgagor will notify the Mortgagee of each and every notice of default, demand or claim forwarded to or served upon the Mortgagor by the lessor under the Lease;
- (g) it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of the Lease;
- (h) if the Mortgagor becomes the owner of the freehold title to the mortgaged property, then if the mortgaged property is located in Alberta or Saskatchewan, it hereby mortgages to the Mortgagee all of its estate and interest in the mortgaged property, freehold and otherwise, such mortgage to take effect on the Mortgagor acquiring the freehold title thereof, and this mortgage will thereupon be deemed to be a mortgage of the freehold title as if the Mortgagor had been the owner in fee simple at the date of execution of this mortgage and the Mortgagor agrees, if so requested by the Mortgagee, to execute in favour of the Mortgagee a mortgage covering the freehold estate on the same terms and conditions as are contained in this mortgage; and

if the mortgaged property is located in the Northwest Territories or Nunavut Territory, it agrees to provide to the Mortgagee, on request, a mortgage of all of its estate and interest in the mortgaged property, freehold and otherwise;
- (i) it will indemnify the Mortgagee against any claims and demands in respect of the Lease, including any legal costs incurred by the Mortgagee in connection therewith, on a solicitor and client basis;
- (j) the Mortgagor will at all times promptly observe and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal,

provincial, municipal, or otherwise, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation;

- (k) if this mortgage is outstanding at the end of the term of the Lease, it will at the appropriate time seek a renewal of the Lease or the issuance of a new lease in substitution and will promptly notify the Mortgagee if it becomes aware that such a renewed or substituted lease may not be forthcoming. The Mortgagor will provide a copy of any such renewed or substituted lease to the Mortgagee upon issuance and such a renewed or substituted lease will be included within the definition of the Lease hereunder and for greater certainty, will be subject to this mortgage;
 - (l) The Mortgagor agrees that it will from the date of execution of this mortgage stand possessed of the last day of the term of the Lease (whether it is the last date of the present term or of any extended term) and all rights, privileges and options of the Mortgagor under the Lease, in trust for the Mortgagee. The Mortgagor further agrees it will assign and dispose of said last day, consistent with the terms of the Lease, as the Mortgagee may direct, but subject to the Mortgagor's right of redemption. The Mortgagor irrevocably appoints the Mortgagee as its attorney for or on behalf of the Mortgagor and in its name or otherwise to assign the said last day and privileges as the Mortgagee shall at any time direct, consistent with the terms of the Lease. The Mortgagor further agrees that upon a sale or other disposition made by the Mortgagee, and if requested by the Mortgagee, to assign the last day and privileges and options relating thereto to the purchaser or assignee and to exercise any and all assignments and transfers for that purpose; and the Mortgagee may at any time, by deed or other instrument, remove the Mortgagor or any other person as trustee for the last day and appoint a new trustee or trustees in its place;
 - (m) **Information:** The Mortgagor authorizes the Mortgagee to contact the lessor from time to time to obtain information regarding the rent or other sums payable under the Lease, the status of payment thereof and any other information relating to the Lease or default thereunder;
 - (n) **Breach:** The Mortgagor agrees that it will be deemed to constitute a breach of the provisions of this mortgage if the leasehold estate which is the subject of this mortgage ceases to exist.
- (27.) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held

invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.

- (28.) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.
- (29.) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.
- (30.) **Commitment Letter:** This Mortgage is granted pursuant to the terms of the Commitment Letter. In the event of a conflict between the Commitment Letter and this Mortgage, the Commitment Letter shall govern. Without limiting the foregoing, the interest rates contained herein are intended to be nominal rates and the interest rates set out in the Commitment Letter for any such Liabilities and Enforcement Obligations shall prevail.
- (31.) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property. ✓
- (32.) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the *Land Titles Act* (Alberta).

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED
THIS 6 day of November, 2019.

In the presence of:


ALVARO DEVELOPERS INC.

By: Daniel Astete

Title: President c/s

(Witness)

By: _____

Title: _____

AFFIDAVIT OF EXECUTION

(To be completed where the mortgage is signed by an individual or by a corporation without seal)

I, _____ of
_____ in the Province of
_____.

MAKE OATH AND SAY:

- (1.) That I was personally present and did see _____ and _____ named in the within instrument who is (are) known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
- (2.) That the same was executed at _____, in the Province of _____, and that I am the subscribing witness thereto.
- (3.) That I know the said person(s) named in paragraph 1 and he (she) (they) is (are) in my belief of the full age of eighteen years.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019. _____)
_____))
(A Commissioner for Oaths in and for the Province of _____))
My commission expires _____)
_____, _____)

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____ of
_____, in the Province of _____

MAKE OATH AND SAY THAT:

- I. I am an officer or a director of **ALVARO DEVELOPERS INC.** named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019. _____)
_____)

(A Commissioner for Oaths in and for the Province of _____)
My commission expires _____)
_____, _____)

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____ of
_____, in the Province of _____

MAKE OATH AND SAY THAT:

- I. I am an officer or a director of **ALVARO DEVELOPERS INC.** named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019. _____)

(A Commissioner for Oaths in and for the Province of _____)
My commission expires _____)

SCHEDULE "A"

LANDS

PLAN 1332N

BLOCK 2

LOT 1

EXCEPTING THEREOUT THAT PORTION OF LOT 1

LYING EAST OF A LINE DRAWN 37.5 FEET

EAST FROM THE WEST BOUNDARY

AND ALL OF LOTS 2 TO 4 INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS FROM LOT 2 AND THE THAT
PORTION OF LOT 3 WHICH LIES TO THE EAST OF THE WESTERLY 7 FEET

THROUGHOUT OF THE SAID LOT 3



191241210

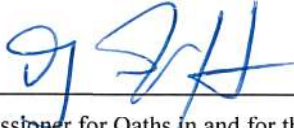
191241210 REGISTERED 2019 11 26

MORT - MORTGAGE

DOC 1 OF 2 DRR#: A0E3577 ADR/CALCALVE

LINC/S: 0036689842

This is Exhibit "C"
Referred to in the Affidavit of
Michael Saba
Sworn before me this 28 day
of November, 2022.

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

A Commissioner for Oaths in and for the
Province of British Columbia

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

201011929

ORDER NUMBER: 45934666

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

AFFIDAVIT RE: REDUCED FEES

CANADA)
PROVINCE OF ALBERTA) I, **Lev Kramar**, of the City of
TO WIT:) Calgary, in Province of Alberta, Barrister and Solicitor
MAKE OATH AND SAY:

1. That I am a Barrister and Solicitor with the law firm Masuch Law LLP;
2. That I act on behalf of Alvaro Developers Inc. who is the Registered Owner of property legally described as

428 3rd Avenue, NE, Calgary, Alberta

<u>TITLE NUMBER</u>	<u>LEGAL DESCRIPTION</u>
181 195 112	PLAN 1332N, BLOCK 2, LOT 1, EXCEPTING THEREOUT THAT PORTION OF LOT 1 LYING EAST OF A LINE DRAWN 37.5 FEET EAST FROM THE WEST BOUNDARY AND ALL OF LOTS 2 TO 4 INCLUSIVE, EXCEPTING THEREOUT ALL MINES AND MINERALS FROM LOT 2 AND THE THAT PORTION OF LOT 3 WHICH LIES TO THE EAST OF THE WESTERLY 7 FEET THROUGHOUT OF THE SAID LOT 3

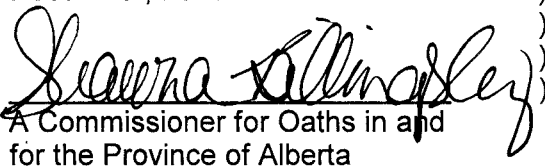
430 3rd Avenue, NE, Calgary, Alberta

<u>TITLE NUMBER</u>	<u>LEGAL DESCRIPTION</u>
191 166 751	PLAN 1332N, BLOCK 2, ALL THAT PORTION OF LOT 1 WHICH LIES TO THE EAST OF A LINE DRAWN PARALLEL WITH AND 37.5 FEET PERPENDICULARLY DISTANT EASTERLY FROM THE WEST BOUNDARY OF SAID LOT

(the "Lands");

3. That the attached Mortgage and Caveat Re: Assignment of Rents and Leases between Alvaro Developers Inc. as Mortgagor and Bancorp Financial Services Inc, Bancorp Balanced Mortgage Fund II Ltd and Bancorp Growth Mortgage Fund II Ltd., as Mortgagee, in the sum of \$5,350,000.00 dated December 2, 2019, replaces the Mortgage and Caveat Re: Assignment of Rents and Leases between between Alvaro Developers Inc. as Mortgagor and Bancorp Financial Services Inc, Bancorp Balanced Mortgage Fund II Ltd and Bancorp Growth Mortgage Fund II Ltd. as Mortgagee, in the sum of \$5,150,000.00. registered in the Land Titles Office for the South Alberta Land Registration District on November 26, 2019, as instrument number 191 241 210 and Caveat 191 241 211;
4. That the additional sum of \$200,000.00 only will be advanced under the new Mortgage;
5. That I make this Affidavit to request, on behalf of my client, that the registration fees for the Mortgage be adjusted accordingly.

SWORN BEFORE ME at the City
of Calgary, in the Province of
Alberta, this 3rd day of
December, 2019


A Commissioner for Oaths in and
for the Province of Alberta

Shawna L. Billingsley
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires April 8, 2021


Lev Kramar

COLLATERAL MORTGAGE

I/WE, **ALVARO DEVELOPERS INC.** (hereinafter referred to as the "Mortgagor") having an address at 223 Lakeside Greens Court, Chestermere, Alberta T1X 1C8, being registered owner of an estate in fee simple (subject to registered encumbrances, liens and interests, if any) in all those lands legally described in Schedule "A" attached hereto (hereinafter referred to as "the land"), IN CONSIDERATION OF the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with **BANCORP FINANCIAL SERVICES INC., BANCORP BALANCED MORTGAGE FUND II LTD., BANCORP GROWTH MORTGAGE FUND II LTD.** each having the address at 1420 - 1090 West Georgia Street, Vancouver, BC V6E 3V7 (collectively, hereinafter referred to as the "Mortgagee") as follows:

- (1.) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
- (a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of FIVE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$5,350,000.00);
 - (b) the Enforcement Obligations (as hereinafter defined); and
 - (c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

"Liabilities" means all amounts owing to the Mortgagee from time to time in respect of the commitment letter dated September 23, 2019 issued by the Mortgagee to and accepted by, *inter alia*, the Mortgagor in connection with the Liabilities, and any other term sheet, commitment letter or loan agreement entered into at any time between the Mortgagor and the Mortgagee to evidence the terms of the Liabilities, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time (the "**Commitment Letter**") (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and

whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

"Prime Rate" means the annual rate of interest established and announced from time to time by Canadian Imperial Bank of Commerce as being the reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

- (2.) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute *prima facie* evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein, in the Commitment Letter or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time at the dates, times and in the manner set out in the Commitment Letter, such interest to be calculated at a rate equal to the Prime Rate plus **FIFTEEN** percent (**15.00%**) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.
- (3.) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at the same rates applicable to the Liabilities, calculated and payable in accordance with the terms of the Commitment Letter.
- (4.) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

- (5.) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:
- (a) has a good title to the land and premises;
 - (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
 - (c) will execute such further assurances of the land and premises as may be requisite; and
 - (d) has done no act to encumber the land and premises.
- (6.) **Covenants:** The Mortgagor further covenants with the Mortgagee that:
- (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding,

reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;

- (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;
- (e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the

mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

- (f) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
 - (g) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and
 - (h) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.
- (7.) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will

give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.

(8.) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:

(a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;

(b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it

shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;

- (c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate of twenty-five percent (25.00%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;
- (d) **Distraint:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;
- (e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from

time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5.00%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and

- (f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.
- (9.) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, become bankrupt or insolvent or shall be subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant pursuant to this mortgage.
- (10.) **Costs to Protect Security:** All fees, charges, costs (including solicitor's fees and disbursements as between a solicitor and his own client) or expenses levied or charged by

any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.

- (11.) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.
- (12.) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of

any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.

- (13.) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.
- (14.) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (15.) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (16.) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to the Prime Rate plus **TEN percent (10.00%)**, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (17.) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been

received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagor.

(18.) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:

- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
- (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
- (c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;
- (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
- (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;

- (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;
 - (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
 - (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (19.) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:
- (a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;
 - (b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and
 - (c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.
- (20.) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of

the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.

- (21.) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.
- (22.) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.
- (23.) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the *Interest Act* (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the *Interest Act* (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
- (24.) **Type of Land Ownership:**
 - (a) **Freehold:** If this mortgage is a mortgage of a fee simple interest, the Mortgagor represents and warrants to the Mortgagee that it has a fee simple interest in possession in the mortgaged property and that it has full power to mortgage the mortgaged property.
 - (b) **Leasehold:** If the interest of the Mortgagor in the mortgaged property derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the mortgaged property (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:
 - (i) all references in this mortgage to "mortgaged property" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of this mortgage;

- (ii) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the mortgaged property, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the term of the mortgage, and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof, as security for the payment to the Mortgagee of the Liabilities, plus the interest on the Liabilities, Enforcement Obligations and all other amounts secured by this mortgage and for the performance of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage;

(25.) **Representations and Warranties regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold title, the Mortgagor represents and warrants to the Mortgagee that:

- (a) the leasehold estate which is the subject of this mortgage arises under the Lease, which has not been further modified or amended;
- (b) the Lease is a valid, effective and subsisting lease which has not been surrendered or forfeited, and the Lease is not presently subject to any assignment, mortgage or other encumbrance;
- (c) the Mortgagor has taken possession of the mortgaged property and all sums due under the Lease have been paid in full to the date hereof;
- (d) the Mortgagor has full power to mortgage the Lease (subject to the consent, if necessary, of the lessor), and if the consent of the lessor is required, such consent has either been obtained or will be obtained prior to any advance of monies secured by this mortgage; and
- (e) "Lease" means the lease from _____ to _____ dated _____ commencing on _____ and _____ expiring on _____, subject only to the following amending agreements, if any:

(26.) **Covenants regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold estate, the Mortgagor covenants with the Mortgagee that:

- (a) it will not modify or amend or consent to any modification or amendment to the Lease without the prior written consent of the Mortgagee;

- (b) it will not surrender or forfeit or consent to any surrender or forfeiture of the Lease, and it will not without the prior written consent of the Mortgagee further assign, mortgage or otherwise encumber the Lease;
- (c) it will not postpone or subordinate its interest in Lease to any other mortgage or encumbrance without the prior written consent of the Mortgagee;
- (d) it will faithfully comply with each provision of the Lease and will do all things necessary to preserve the Lease and the lessee's rights thereunder;
- (e) it will promptly notify the Mortgagee of any default under the Lease by the Mortgagor, or the giving or receipt of any notice of default in respect thereof, and it agrees to request that the lessor provide the Mortgagee with the opportunity (but not the obligation) to cure any default under the Lease and any amount which may be required to be paid by the Mortgagee to cure such default and the costs thereof (including any legal costs as between solicitor and client) shall constitute an Enforcement Obligation;
- (f) the Mortgagor will notify the Mortgagee of each and every notice of default, demand or claim forwarded to or served upon the Mortgagor by the lessor under the Lease;
- (g) it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of the Lease;
- (h) if the Mortgagor becomes the owner of the freehold title to the mortgaged property, then if the mortgaged property is located in Alberta or Saskatchewan, it hereby mortgages to the Mortgagee all of its estate and interest in the mortgaged property, freehold and otherwise, such mortgage to take effect on the Mortgagor acquiring the freehold title thereof, and this mortgage will thereupon be deemed to be a mortgage of the freehold title as if the Mortgagor had been the owner in fee simple at the date of execution of this mortgage and the Mortgagor agrees, if so requested by the Mortgagee, to execute in favour of the Mortgagee a mortgage covering the freehold estate on the same terms and conditions as are contained in this mortgage; and

if the mortgaged property is located in the Northwest Territories or Nunavut Territory, it agrees to provide to the Mortgagee, on request, a mortgage of all of its estate and interest in the mortgaged property, freehold and otherwise;
- (i) it will indemnify the Mortgagee against any claims and demands in respect of the Lease, including any legal costs incurred by the Mortgagee in connection therewith, on a solicitor and client basis;
- (j) the Mortgagor will at all times promptly observe and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal,

provincial, municipal, or otherwise, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation;

- (k) if this mortgage is outstanding at the end of the term of the Lease, it will at the appropriate time seek a renewal of the Lease or the issuance of a new lease in substitution and will promptly notify the Mortgagee if it becomes aware that such a renewed or substituted lease may not be forthcoming. The Mortgagor will provide a copy of any such renewed or substituted lease to the Mortgagee upon issuance and such a renewed or substituted lease will be included within the definition of the Lease hereunder and for greater certainty, will be subject to this mortgage;
 - (l) The Mortgagor agrees that it will from the date of execution of this mortgage stand possessed of the last day of the term of the Lease (whether it is the last date of the present term or of any extended term) and all rights, privileges and options of the Mortgagor under the Lease, in trust for the Mortgagee. The Mortgagor further agrees it will assign and dispose of said last day, consistent with the terms of the Lease, as the Mortgagee may direct, but subject to the Mortgagor's right of redemption. The Mortgagor irrevocably appoints the Mortgagee as its attorney for or on behalf of the Mortgagor and in its name or otherwise to assign the said last day and privileges as the Mortgagee shall at any time direct, consistent with the terms of the Lease. The Mortgagor further agrees that upon a sale or other disposition made by the Mortgagee, and if requested by the Mortgagee, to assign the last day and privileges and options relating thereto to the purchaser or assignee and to exercise any and all assignments and transfers for that purpose; and the Mortgagee may at any time, by deed or other instrument, remove the Mortgagor or any other person as trustee for the last day and appoint a new trustee or trustees in its place;
 - (m) **Information:** The Mortgagor authorizes the Mortgagee to contact the lessor from time to time to obtain information regarding the rent or other sums payable under the Lease, the status of payment thereof and any other information relating to the Lease or default thereunder;
 - (n) **Breach:** The Mortgagor agrees that it will be deemed to constitute a breach of the provisions of this mortgage if the leasehold estate which is the subject of this mortgage ceases to exist.
- (27.) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held

invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.

- (28.) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.
- (29.) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.
- (30.) **Commitment Letter:** This Mortgage is granted pursuant to the terms of the Commitment Letter. In the event of a conflict between the Commitment Letter and this Mortgage, the Commitment Letter shall govern. Without limiting the foregoing, the interest rates contained herein are intended to be nominal rates and the interest rates set out in the Commitment Letter for any such Liabilities and Enforcement Obligations shall prevail.
- (31.) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property. ✓
- (32.) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the *Land Titles Act* (Alberta).

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED
THIS ____ day of _____, 2019.

In the presence of:


ALVARO DEVELOPERS INC.

By: _____

Title: _____ c/s

(Witness)

By: _____

Title: _____

AFFIDAVIT OF EXECUTION

(To be completed where the mortgage is signed by an individual or by a corporation without seal)

I, _____ of
_____ in the Province of
_____.

MAKE OATH AND SAY:

- (1.) That I was personally present and did see _____ and _____ named in the within instrument who is (are) known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
- (2.) That the same was executed at _____, in the Province of _____, and that I am the subscribing witness thereto.
- (3.) That I know the said person(s) named in paragraph 1 and he (she) (they) is (are) in my belief of the full age of eighteen years.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019. _____)
_____) _____)
(A Commissioner for Oaths in and for the Province of _____))
My commission expires _____)
_____, _____.

AFFIDAVIT OF EXECUTION

(To be completed where the mortgage is signed by an individual or by a corporation without seal)

I, _____ of
_____ in the Province of
_____.

MAKE OATH AND SAY:

- (1.) That I was personally present and did see _____ and _____ named in the within instrument who is (are) known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
- (2.) That the same was executed at _____, in the Province of _____, and that I am the subscribing witness thereto.
- (3.) That I know the said person(s) named in paragraph 1 and he (she) (they) is (are) in my belief of the full age of eighteen years.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019. _____)
_____)
(A Commissioner for Oaths in and for the Province of _____))
My commission expires _____, _____.

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____ of
_____, in the Province of _____

MAKE OATH AND SAY THAT:

- I. I am an officer or a director of **ALVARO DEVELOPERS INC.** named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019.)

_____))
(A Commissioner for Oaths in and for the Province of _____))

My commission expires

_____, _____.

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____ of
_____, in the Province of _____

MAKE OATH AND SAY THAT:

- I. I am an officer or a director of **ALVARO DEVELOPERS INC.** named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____, this ____ day of _____)
_____, 2019.)

_____) _____
(A Commissioner for Oaths in and for the Province of _____)

My commission expires

_____, _____.

SCHEDULE "A"

LANDS

PLAN 1332N

BLOCK 2

LOT 1

EXCEPTING THEREOUT THAT PORTION OF LOT 1

LYING EAST OF A LINE DRAWN 37.5 FEET

EAST FROM THE WEST BOUNDARY

AND ALL OF LOTS 2 TO 4 INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS FROM LOT 2 AND THE THAT

PORTION OF LOT 3 WHICH LIES TO THE EAST OF THE WESTERLY 7 FEET

THROUGHOUT OF THE SAID LOT 3

PLAN 1332N

BLOCK 2

ALL THAT PORTION OF LOT 1 WHICH LIES TO THE EAST OF A

LINE DRAWN PARALLEL WITH AND 37.5 FEET

PERPENDICULARLY DISTANT EASTERLY FROM THE WEST BOUNDARY OF SAID

LOT

X
1788459-48470

1/2



201011929

201011929 REGISTERED 2020 01 16
MORT - MORTGAGE
DOC 1 OF 2 DRP#: A0E94A8 ADR/WLIU
LINC/S: 0036689842 +

This is Exhibit "D"
Referred to in the Affidavit of
Michael Saba
Sworn before me this 28 day
of November, 2022.

A handwritten signature in blue ink, appearing to be 'G. J. H.', is written over a horizontal line.

A Commissioner for Oaths in and for the
Province of British Columbia

Search ID #: Z15628966

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 315128.00002

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Business Debtor Search For:

ALVARO DEVELOPERS INC.

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 #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 19112716597

Registration Type: LAND CHARGE

Registration Date: 2019-Nov-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 ALVARO DEVELOPERS INC.
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Block

Status

Current

2 ALVARO LIMITED PARTNERSHIP
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Secured Party / Parties

Block

Status

Current

1 BANCORP FINANCIAL SERVICES INC.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Block

Status

Current

2 BANCORP BALANCED MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Block

Status

Current

3 BANCORP GROWTH MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Search ID #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 19112716715

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Nov-27

Registration Status: Current

Expiry Date: 2024-Nov-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

Current

1 ALVARO DEVELOPERS INC.
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Block

Status

Current

2 ALVARO LIMITED PARTNERSHIP
223 LAKESIDE GREENS COURT
ALBERTA, AB T1Z 1C8

Secured Party / Parties

Block

Status

Current

1 BANCORP FINANCIAL SERVICES INC.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Block

Status

Current

2 BANCORP BALANCED MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Block

Status

Current

3 BANCORP GROWTH MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfinancial.com

Search ID #: Z15628966

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All present and after-acquired personal property of the debtors.	Current

Search ID #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 20111730153

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Nov-17

Registration Status: Current

Expiry Date: 2025-Nov-17 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 ALVARO DEVELOPERS INC.
223 LAKESIDE GREEN CRT
CHESTERMERE, AB T1Z 1C8

Current

Block

Status

2 ASTETE, DANIEL
223 LAKESIDE GREEN CRT
CHESTERMERE, AB T1Z 1C8

Current

Secured Party / Parties

Block

Status

1 CAPEX CONSULTING AND PROMO GROUP LTD.
477, 1811 - 4 STREET S.W.
CALGARY, AB T2S 1W2
Email: general@agahilaw.com

Current

Collateral: General

Block

Description

Status

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

Current

Search ID #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 21072211925

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Jul-22

Registration Status: Current

Expiry Date: 2023-Jul-22 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2101 08456

Judgment Date is 2021-Jul-05

This Writ was issued on 2021-Jul-09

Type of Judgment is Other

Original Judgment Amount: \$155,461.28

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owning: \$155,461.28

Exact Match on:

Debtor

No: 1

Solicitor / Agent

WALSH LLP

2800 801 6 AVE SW

CALGARY, AB T2P4A3

Phone #: 403 267 8424

Fax #: 403 264 9400

Email: pprnotices@walshlaw.ca

Debtor(s)

Block

Status

1 ALVARO DEVELOPERS INC.
C/O 125, 8838 BLACKFOOT TR SE
CALGARY, AB T2J 3J1

Current

Block

Status

2 ASTETE, DANIEL
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1X 1C8

Current

Search ID #: Z15628966

Gender:
Male

Creditor(s)

Block

Status

1 LARFARGE CANADA INC.
C/O 2800, 801 - 6TH AVENUE SW
CALGARY, AB T2P 4A3
Email: pprnotices@walshlaw.ca

Current

Search ID #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 21092728352

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Sep-27

Registration Status: Current

Expiry Date: 2023-Sep-27 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2101-01295

Judgment Date is 2021-Aug-03

This Writ was issued on 2021-Aug-23

Type of Judgment is Other

Original Judgment Amount: \$23,859.81

Costs Are: \$400.00

Post Judgment Interest: \$23.14

Current Amount Owing: \$22,285.56

Exact Match on:

Debtor

No: 1

Amendments to Registration

22032508301

Amendment

2022-Mar-25

Solicitor / Agent

MASUCH LAW LLP
#125, 8838 BLACKFOOT TRAIL SE
CALGARY, AB T2J 3J1

Phone #: 403 543 1100

Fax #: 403 543 1111

Reference #: 10-75627

Email: LEV@MASUCHLAW.COM

Debtor(s)

Block

Status

Current

1 ALVARO DEVELOPERS INC.
520, 999 - 8 STREET SW
CALGARY, AB T2R 1J5

Search ID #: Z15628966

Creditor(s)

Block

Status

Current

1 MASUCH LAW LLP
#125, 8838 BLACKFOOT TRAIL SE
CALAGRY, AB T2J 3J1
Email: LEV@MASUCHLAW.COM

Search ID #: Z15628966

Business Debtor Search For:

ALVARO DEVELOPERS INC.

Search ID #: Z15628966

Date of Search: 2022-Nov-24

Time of Search: 14:13:54

Registration Number: 22070731447

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2022-Jul-07

Registration Status: Current

Expiry Date: 2024-Jul-07 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2101-11280

Judgment Date is 2022-Jun-13

This Writ was issued on 2022-Jul-06

Type of Judgment is Other

Original Judgment Amount: \$235,208.82

Costs Are: \$4,062.66

Post Judgment Interest: \$0.00

Current Amount Owing: \$239,271.48

Exact Match on:

Debtor

No: 1

Solicitor / Agent

ADRIANNA WORMAN
SUITE 200, 602 - 11TH AVE SW
CALGARY, AB T2R 1J8

Phone #: 403 668 9195

Fax #: 403 705 1265

Reference #: 08903-001

Email: aworman@gfslaw.ca

Debtor(s)

Block

Status

1 ALVARO DEVELOPERS INC.
520 - 999 8 ST SW
CALGARY, AB T2R 0J5

Current

Creditor(s)

Block

Status

1 Q CONSTRUCTION MANAGEMENT LTD.
125 88838 BLACKFOOT TRAIL SE
CALGARY, AB T2J 3J1

Current

Search ID #: Z15628966

Email: greg@qconstruction.ca

Result Complete

Search ID #: Z15628970

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 315128.00002

Search ID #: Z15628970

Date of Search: 2022-Nov-24

Time of Search: 14:14:28

Business Debtor Search For:

ALVARO LIMITED PARTNERSHIP

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 #: Z15628970

Business Debtor Search For:

ALVARO LIMITED PARTNERSHIP

Search ID #: Z15628970

Date of Search: 2022-Nov-24

Time of Search: 14:14:28

Registration Number: 19112716597

Registration Type: LAND CHARGE

Registration Date: 2019-Nov-27

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

Current

1 ALVARO DEVELOPERS INC.
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Block

Status

Current

2 ALVARO LIMITED PARTNERSHIP
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Secured Party / Parties

Block

Status

Current

1 BANCORP FINANCIAL SERVICES INC.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Block

Status

Current

2 BANCORP BALANCED MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Block

Status

Current

3 BANCORP GROWTH MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Search ID #: Z15628970

Business Debtor Search For:

ALVARO LIMITED PARTNERSHIP

Search ID #: Z15628970

Date of Search: 2022-Nov-24

Time of Search: 14:14:28

Registration Number: 19112716715

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Nov-27

Registration Status: Current

Expiry Date: 2024-Nov-27 23:59:59

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

Current

1 ALVARO DEVELOPERS INC.
223 LAKESIDE GREENS COURT
CHESTERMERE, AB T1Z 1C8

Block

Status

Current

2 ALVARO LIMITED PARTNERSHIP
223 LAKESIDE GREENS COURT
ALBERTA, AB T1Z 1C8

Secured Party / Parties

Block

Status

Current

1 BANCORP FINANCIAL SERVICES INC.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Block

Status

Current

2 BANCORP BALANCED MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Block

Status

Current

3 BANCORP GROWTH MORTGAGE FUND II LTD.
1420 - 1090 WEST GEORGIA STREET
VANCOUVER, BC V6E 3V7
Email: kelly@bancorpfincial.com

Search ID #: Z15628970

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All present and after-acquired personal property of the debtors.	Current

Result Complete