

COURT FILE NO. 1801-04745

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

PLAINTIFF(S) **HILLSBORO VENTURES INC.**¹

DEFENDANT(S) **CEANA DEVELOPMENT SUNRIDGE INC.**

**IN THE MATTER OF THE RECEIVERSHIP OF CEANA DEVELOPMENT
SUNRIDGE INC.**

DOCUMENT **Affidavit**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

CHIBAMBO LAW FIRM
345, 703 - 7 Avenue SW
Calgary, Alberta T2P 0T9
Attn: Tchupa Chibambo
Phone: (403) 264 - 3088
Fax: (403) 237 - 9370
E-mail: chibambolaw@telus.net

AFFIDAVIT OF

MASSOUD RAHNEMA

Sworn (or Affirmed) on

December 21, 2020

I, MASSOUD RAHNEMA

of Alberta, SWEAR/AFFIRM AND SAY THAT:

1. I am the Director of 1989207 Alberta Inc. and as such, I have personal knowledge of the facts matters deposed to in this my Affidavit, except where stated to be based upon information and belief, and where so stated I believe the same to be true.
2. In 2016, 1989207 Alberta Inc. (the "Depositor") and Ceana Development Sunridge Inc. ("Ceana") entered into negotiations about the purchase of two condominium units in Ceana's project at 2255 - 32 Street NE, Calgary, Alberta (the "Project").
3. These negotiations resulted in various agreements being signed between the Depositor and Ceana and the Depositor paying to Ceana a total of \$400,000.00. Copies of bank drafts for \$300,000 and \$100,000.00 are attached hereto and marked Exhibit "A" and "B".
4. At the time of signing these agreements the Depositor was promised but was never provided with copies of any of the Agreements signed.
5. One Agreement was for the purchase and sale of a condominium unit in the Project, CRU 9, dated August 23, 2016 (the "Purchase Agreement"). A copy of this agreement was recently provided to the Depositor and is attached here and marked Exhibit "C".
6. The Purchase Agreement stipulated a purchase price of \$900,000.00 plus gst and an initial deposit of \$90,000.00 (the "Deposit").
7. Copies of two other agreements have recently been provided to the Depositor and these relate to a joint venture participation by the Depositor in the Project. The said copies of the Joint Venture Agreements are attached hereto and marked Exhibit "D" and "E".
8. It was my understanding that the deposit of \$90,000.00 required under the Purchase Contract would be paid from the \$400,000.00 the Depositor had paid to Ceana and I verily believe that that is how it was done.
9. I am informed and verily believe that the sum of \$90,000.00 was deposited with KH Dunkley Law Group on account of the Depositor's purchase of the condominium unit in the Project, in accordance with the provisions of the Condominium Property Act.
10. On or about the 22nd day of August 2020, I received a notification from the said KH Dunkley Law Group confirming the deposit and advising that the deposit was being transferred to the Receiver in this matter. A copy of the notification is attached hereto and marked Exhibit "F".
11. On or about the 28th day of May 2020, the Receiver's solicitors Torys LLP. communicated with the Depositor's solicitor to confirm that they were holding the \$90,000.00, but also advising that Hillsboro Ventures Inc., the Plaintiff herein, had a claim on the Deposit. A copy of the letter is attached hereto and marked Exhibit "G".
12. It was also from the said letter from the Receiver's solicitor that I learned that the rest of the money the Depositor had paid to Ceana was missing.
13. In the light of what I learned, I contacted Bob Gaidhar of Ceana for an explanation and in response he sent me an e-mail on or about June 15, 2020, giving me a breakdown of what had happened to the Depositor's money. A copy of the e-mail is attached hereto and marked Exhibit "H".
14. It is my understanding that the Depositor's current financial interest in the Project consists of the Deposit of \$90,000.00 pursuant to the Purchase Agreement and in accordance with section 14 of the Condominium Property Act and \$310,000.00 retained in the joint venture with Ceana.

15. I make this Affidavit in opposition to the Application by the Plaintiff to the extent that it seeks to extinguish the Depositor's interest in the deposit \$90,000.00 and the Depositor's possible interest in a resulting trust with respect to all funds advanced towards the Project.

SWORN (or affirmed) BEFORE ME

on the 21st day of December 2020
at Calgary, Alberta


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

TCHUPA CHIBAMBO

(Print Name of Notary Public, Barrister-at-Law/
Commissioner or JP)

Barrister & Solicitor.


(Signature)
MASSOUD RAHNEMA

(Print Name)

Cheque Item Image

User: saima nadeem

Request #:	-1	Request Desc:	
Transit - FI #:	06952-001	Account #:	2547028914035
Sequence #:	5100078648	Amount:	\$300,000.00 CAD
Date:	08/26/2016		

00039-003

08/26/2016

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BMO Bank of Montreal - Banque de Montréal
REDDINGTON VILLAGE
B2820 CENTRE STREET NORTH
CALGARY ALBERTA CANADA T2K 2X4

CANADIAN \$ DRAFT / TRAITE EN DOLLARS CANADIENS

DATE 2016 08 25

TU WED THU FRI SAT SUN

PAY TO THE ORDER OF Ceana Development Services Ltd \$ 300,000 **
BANK OF MONTREAL #30000000**

1988207 AB LXC

Signed Officer / Signataire [Signature]

AUGUST 26 2016

CEANA DEVELOPMENT SERVICES LTD.

100 Canadian Dollars Canadiens

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- No addendum data available

THIS IS EXHIBIT

A

referred to in the Affidavit
of Massoud Rahnema
Sworn before me this 21st day
of December A.D., 2021

A Commissioner for Oaths in and for Alberta
TCHUPA CHIBAMBO

Barrister, Solicitor & Notary Public

Print

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Cheque Item Image

User: saima nadeem

Request #:		-1	Request Desc:		
Transit - FI #:		06952-001	Account #:		2547028914421
Sequence #:		700146608	Amount:		\$100,000.00 CAD
Date:		09/09/2016			

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BMO Bank of Montreal · Banque de Montréal

800 DUNDAS STREET WEST
TORONTO, ONTARIO M5G 1C5

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DATE 2016 09 01

AM PM DAY

Pay to the order of
Payable à l'ordre de

Ceana Development Sunrise Inc.

\$ 100,000.00

100 Canadian Dollars / Centimètres

1989207 Alberta Inc.

Signature of the payee / Signature du bénéficiaire

Signature of the issuer / Signature de l'émetteur

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- No addendum data available

THIS IS EXHIBIT

referred to in the Affidavit
of Massoud Rahnema
Sworn before me this 21st day
of December A.D., 2020

A Commissioner for Oaths in and for Alberta

TOHUPA GHIBAMBO

Barrister, Solicitor & Notary Public

Print

Close

THIS IS EXHIBIT C

referred to in the Affidavit
of Masoud Rahnama
Sworn before me this 21st day
of December A.D., 2020
[Signature]

A Commissioner for
Oaths in and for
Alberta

TCHUPA CHIBAMBO

Barrister, Solicitor & Notary Public

THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT, UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER, UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT, R.S.A. 2000, c. C-22, HAVE BEEN DELIVERED TO THE PURCHASER NOT LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THE AGREEMENT BY THE PARTIES TO IT.

PURCHASE CONTRACT

SUNRIDGE JUNCTION
2255 - 32nd Street NE, Calgary, Alberta

1989207 Alberta Ltd
1528 18 ave NW CALGARY T2M 0W8

(the "Purchaser")

hereby offer and upon acceptance by CEANA DEVELOPMENT SUNRIDGE INC. (the "Vendor") agree to purchase from the Vendor, in the manner and on the terms and conditions set forth and for the price hereinafter mentioned:

Condominium Plan: T130
Legal Unit No: " (the "Unit")
Unit Factor: " undivided one ten thousandth shares in the common property (the "Unit Factor")

municipal address: Unit #9, 2255 - 32nd Street NE
Calgary, Alberta
Project known as: Sunridge Junction (the "Project")

and title to the Unit shall transfer to the Purchaser upon closing of the transactions herein contemplated (subject to the provisions of this Agreement), provided however, that the parties acknowledge and agree that (i) the Unit number and/or municipal address may be subject to change; and (ii) the Unit Factor has been determined on the basis of anticipated unit maintenance costs and unit areas and may be subject to change upon final approval of plans by the City of Calgary.

The total purchase price to be paid by the Purchaser to the Vendor for the Unit (the "Purchase Price") shall be:

\$ 900,000 - Price of Land and Unit without GST
*Based on \$ 500 (price per sq. ft.) x 1800 sq. ft. (size of Unit)
\$ 45,000 - Plus federal goods and services tax ("GST") at 5%
\$ 945,000 - TOTAL PURCHASE PRICE

On or before the Confirmed Occupancy Date, the Purchaser shall provide the Vendor with a certificate from a senior officer of the Purchaser (or a statutory declaration from the Purchaser if the Purchaser is not a corporation) stating that the Purchaser is registered with the Canada Revenue Agency for the purposes

of GST and setting out its GST registration number. The Purchaser shall in such certificate or statutory declaration as the case may be, and does hereby, undertake to pay all applicable GST directly to the Canada Revenue Agency and indemnify and save harmless the Vendor from and against any and all claims, demands, actions or proceedings made, brought or prosecuted against the Vendor and from and against any and all costs, expenses and losses which the Vendor may suffer or incur with respect to any GST payable in connection with the purchase of the Lands. If the Purchaser is not registered for purposes of GST then the Purchaser shall pay the applicable GST to the Vendor together with the total purchase price on the Confirmed Occupancy Date.

The Purchase Price shall be paid as follows:

- (a) \$ 90,000- In cash or cheque with this Offer as the Initial deposit;
- (b) \$ _____ as an additional deposit hereunder, payable by cash or cheque upon removal of all conditions;
- (c) \$ 400,000. new financing on terms arranged at the Purchaser's expense pursuant to clause 1(b);
- (d) \$ 410,000. balance owing (subject to adjustments);
- (e) \$ 900,000- TOTAL PURCHASE PRICE SUBJECT TO usual adjustments and the additional adjustments set forth herein upon or after final closing.

NOTWITHSTANDING anything to the contrary herein contained, the Purchaser acknowledges, confirms and agrees that the Purchase Price stated above is based on the "price per sq. ft." of the Unit stated above. Upon completion of the Condominium Plan for the Project the Purchase Price shall be adjusted upwards or downwards, based on the "price per sq. ft." stated above, and in determining the final Purchase Price, the measurements stated on the Condominium Plan (and the method of measurement utilized by the surveyor in determining the size of the Unit) shall be determinative of the final size of the Unit.

PROVIDED THAT all funds paid by the Purchaser to the Vendor hereunder (other than rents) shall be held in trust by the Vendor's Solicitors pursuant to Section 14 of the *Condominium Property Act*, R.S.A. 2000, c. C-22 as amended, (the "Act") and released accordingly.

ACCEPTANCE of this Offer by the Vendor shall constitute an agreement for sale and purchase between the parties SUBJECT TO the terms and conditions hereinafter set forth:

1.

- (a) This Offer is conditional upon the Purchaser reviewing all proposed bylaws, proposed budget and Project related material within ten (10) days of delivery to the Purchaser. If this Offer is withdrawn by the Purchaser within this ten (10) day period, all deposit monies will be returned to the Purchaser without deduction. This condition shall be deemed to be waived by the Purchaser at the expiration of the ten (10) day period unless the Purchaser, by written notice to the Vendor prior to the expiry date, advises that the condominium documents are unsatisfactory and the Offer is withdrawn.
- (b) If a new mortgage is contemplated above, this Offer is conditional upon the Purchaser obtaining approval for new financing on or before the expiration of ten (10) days from the Vendor's acceptance, failing which this Offer shall terminate and all monies paid by the Purchaser to the Vendor shall be refunded.

- (c) The parties covenant and agree that if any of the above conditions are either not met or are not waived within the time periods specified, the deposit monies shall be returned to the Purchaser forthwith, without interest, and this Agreement shall be deemed to be null and void and neither the Purchaser nor the Vendor shall be liable to the other for any damages.
2. IT IS UNDERSTOOD AND AGREED that the Vendor need not make any modifications or supply any extras to the Unit unless mutually agreed in writing, and the Purchaser will enter into a separate contract for the said modifications and/or extras with the Vendor, and the Purchaser will pay for any such modifications and/or extras plus any applicable Goods and Services Tax on or before the Confirmed Occupancy Date, in addition to and as an adjustment to the Purchase Price. It is acknowledged by the Purchaser that all material supplied and labour performed by suppliers and workmen employed by the Purchaser will not be guaranteed or warranted by the Vendor in any manner whatsoever. Under no circumstances will the Purchaser be permitted to perform work on or supply materials to the Unit without the Vendor's consent in writing, which consent may be arbitrarily withheld in the Vendor's sole discretion. Vendor and Purchaser agree that the Addendum for Extras and Upgrades, if any, attached hereto forms part of the within Purchase Contract and the Purchase Price shall be adjusted to include the items, and the extras (if any), designated on the same.
3. "Tentative Occupancy Date" means June 1st 2017 or such later date as specified by the Vendor by notice in writing to the Purchaser of the availability of the Unit for possession or occupancy by the Purchaser, at which time title to the Unit, if available for conveyance, shall be transferred to the Purchaser; provided that if title is not then available for transfer to the Purchaser, the Vendor shall receive and retain all monies received from the Purchaser in trust pursuant to s. 14 of the Act, and closing for the purposes of conveyance of title shall occur within a reasonable period of time following the date on which a registerable transfer of title is delivered to the Purchaser's solicitor. The Vendor does not guarantee the completion or possession of the Unit on this date in the event delays occur for which the Vendor may not be responsible, or caused by unfavourable weather, strikes, fires, shortage of labour or materials, acts of God or any other causes beyond the control of the Vendor. The Vendor may extend or accelerate the Tentative Occupancy Date for a reasonable period and the Vendor shall provide a notice in writing to the Purchaser 30 days in advance, advising that on a date to be specified in the notice (the "Confirmed Occupancy Date"), the Unit will be ready for possession and that an inspection shall take place on the date specified. Vacant possession of the Unit shall be given at noon on the Confirmed Occupancy Date, whether such date is earlier or later than the Tentative Occupancy Date, and the Purchaser shall be required to take possession of the Unit on the Confirmed Occupancy date, subject to the terms hereof being complied with. If the Vendor shall be unable to substantially complete the Unit for occupancy within a reasonable period of time after the designated Confirmed Occupancy Date the Vendor may, at its option, return any deposit to the Purchaser (without interest) whereupon this Agreement shall terminate, the parties will be released from their obligations in this Agreement and the Purchaser shall have no recourse whatsoever of any nature or kind against the Vendor. Alternatively, if the Vendor is prevented from substantially completing the Unit for occupancy by the Confirmed Occupancy Date due to events of *force majeure*, including but not limited to acts of god, strikes, walkouts, shortages of labour or materials, inclement weather or any other matter or event beyond the Vendor's control, the Confirmed Occupancy Date may, at the sole option of the Vendor, be postponed to such date as is reasonably required by the Vendor (in its sole and absolute discretion) to substantially complete the Unit in which case the Vendor will provide notice as specified above of the revised Confirmed Occupancy Date. The Vendor shall not be liable for any damages whatsoever of any

nature or kind due to a delay in the completion of the Unit or in the registration of the Condominium Plan(s).

4. All taxes, interest and other adjustments shall be adjusted between the Vendor and the Purchaser as at the Confirmed Occupancy Date and the Purchaser shall have possession of the Unit on the Confirmed Occupancy Date PROVIDED the Purchaser has paid all the amounts owing to the Vendor hereunder. If the adjustments cannot be accurately determined at the Confirmed Occupancy Date the Vendor shall have the right to estimate the adjustments to be made and closing shall take place in accordance with the estimated adjustments and there shall be an adjustment at such later date when all of the items to be adjusted can be accurately determined.

Adjustments hereunder shall take into account all prepaid and accrued expenses relating to the Unit which, without limiting the generality of the foregoing, include the following:

- (a) assessments prepaid or owing for common expenses and administrative expenses pursuant to s. 39 of the Act;
 - (b) realty taxes, school taxes and local improvement charges (the "Taxes"), including supplementary assessments, on the Unit, and if Taxes are owing for the period when the Project was assessed and taxed as one project, not as individual Units, then the adjustment of Taxes shall be calculated attributing the portion of the Taxes owing on the total project by applying the Unit Factor to such total expenses;
 - (c) any other prepaid or current expenses for utilities such as gas, electricity or other utilities not included in the common expenses which shall be adjusted by attributing to the Unit its Unit Factor share;
 - (d) any unpaid extras pursuant to paragraph 2 above; and
 - (e) the Unit's share of insurance cost carried by the Vendor determined by the Unit Factor.
5. Notwithstanding anything to the contrary herein contained, the Vendor is NOT required to pay Common Expenses (as hereinafter defined) for the Unit for any period prior to the Confirmed Occupancy Date (as may be amended from time to time), therefore, no adjustment shall be made on Closing for Common Expenses and the Purchaser shall be responsible to pay applicable Common Expenses from and after the Confirmed Occupancy Date.
6. If, on the Confirmed Occupancy Date, the title to the Unit is not available for transfer to the Purchaser, the Purchaser shall take possession of the Unit upon the Purchaser executing and delivering to the Vendor, the Vendor's form of Interim Occupancy Agreement and upon paying the balance due on closing to the Vendor's solicitor to be held in trust until such time as title issues into the name of the Purchaser. If the Purchaser is obtaining new mortgage financing on the Unit, the Purchaser may occupy the Unit upon paying the difference between the balance due on closing and the anticipated new net mortgage proceeds to the Vendor's solicitor to be held in trust until such time as title issues into the name of the Purchaser. Terms and conditions of the said Interim Occupancy Agreement include:
- (a) the Purchaser shall occupy the Unit as the licensee of the Vendor at an occupancy/rental fee equal to the interest earned (if any) on the portion of the cash to close held in trust from the Confirmed Occupancy Date to the date funds are released to the Vendor plus the monthly interest cost that would have been payable to the Mortgagee for the mortgage (if any) the Purchaser is placing on the Unit, payable in advance on the first day of each and

every month during the Interim Occupancy Period, with such fee to be pro-rated for any partial month of occupancy. The Purchaser will provide the approved mortgage documentation to allow for calculation of the occupancy fee. Any occupancy/rental fees paid by the Purchaser herein shall not be held in trust by the Vendor and shall not be credited towards the Purchase Price;

- (b) the Purchaser shall pay monthly to the Vendor for its sole account $1/12^{\text{th}}$ of the estimated annual assessments, contribution or levies for managing and maintaining the Unit and the common property of the Project and maintaining a contingency reserve fund in proportion to his Unit Factor which would, if the Condominium Plan(s) had been registered, be considered condominium fees and assessments (the "Common Expenses");
- (c) the Purchaser shall pay to the applicable authority, or to the Vendor, such amounts as may be charged, levied or assigned to the Unit for all utilities including sewer, gas, telephone, water, power and cable television;
- (d) the Purchaser shall and does hereby indemnify and save harmless the Vendor of, from and against all suits, claims, actions, losses, costs, expenses and damages of any kind to which the Vendor shall become liable or a party by reason of the negligent use, misuse, or occupation of the Unit or the common property by the Purchaser, his family, invitees, licensees, agents or any person for whom the Purchaser is responsible in law;
- (e) the Purchaser's right to possession of the Unit on Closing shall be subject to the Vendor's right to enter and occupy the Unit for the sole purpose of completing construction of either or both the common property and the Unit;
- (f) the Purchaser shall be responsible for the cost of repairing any damage that may occur to the Unit as a result of the occupancy of same by the Purchaser;
- (g) the Purchaser acknowledges that the Purchaser's use and license of the Unit and the common areas of the project shall be subject to the Rules & Regulations set out in the By-laws (proposed or registered, as the case may be) of the Condominium Corporation;
- (h) the Purchaser shall keep and maintain the Unit in a state of good and substantial repair and in a neat and clean condition throughout the Interim Occupancy Period, normal wear and tear excepted;
- (i) the Purchaser shall immediately vacate the Unit and remove therefrom all of the Purchaser's goods and chattels upon notice to that effect from the Vendor if, for whatever reason, the transaction of sale and purchase of the Unit is not completed; and
- (j) the Purchaser shall not sub-let the Unit nor permit the use or occupation of the Unit by others without the written consent of the Vendor.

7. With regard to construction:

- (a) The Vendor agrees that all construction is to be done in a proper, diligent and workmanlike manner, and shall comply with the Alberta Building Code Standards in effect as of the date of signing this Agreement.

- (b) The Purchaser covenants to take possession of the Unit on the Confirmed Occupancy Date provided the interior thereof is substantially completed notwithstanding that all exterior work on the Unit, common areas, Project or building and the landscaping, common light standards or poles, any perimeter fencing and the internal roadway system may not at such time be fully completed. The Vendor agrees to complete any outstanding work related to the Unit and the common areas within a reasonable time (taking into account seasonal factors) after the Confirmed Occupancy Date.
- (c) At all times during the construction of the Unit, the Vendor agrees to protect and save harmless the Purchaser from liability arising from any claim or claims of persons performing services or furnishing materials to the Vendor for use in the performance of work under this agreement and to pay all such claims so as to prevent the registration of any lien against the lands.
- (d) Unit sizes described in the disclosure documents, including suite floor plans, may be to the outside of the exterior face of exterior walls, the corridor face of corridor walls and to the centre of party walls. The surveyor may use a different method of measurement for the Condominium Plan. Municipal tax authorities may also use a different method of determining the size of the Unit. The estimated Unit Factors and square footage of the purchased Unit may change slightly upon actual measurement by the surveyor or upon completion of construction.
- (e) The Vendor shall be at liberty, without notice to the Purchaser, to modify specifications and materials in construction to permit the timely completion of the Project and/or the Unit (including where the materials are no longer available at a reasonable cost in the opinion of the Vendor) or to comply with municipal requirements, provided that the replacement materials are of equal or better quality and that such modifications will not materially change the finishes or materially reduce the size of the Unit, all in the opinion of the Vendor. Either the exterior or interior of any building or unit in the Project may be varied from any show suite or promotional materials, provided that any such variations are within the applicable municipal authority approvals for the Project and the Purchaser shall not be entitled to any compensation for such variances.
- (f) The Vendor may be required to alter the plans or specifications of the Unit to include or modify items as required to comply with any development permit or building permit, Alberta Building Code, or which are required in the sole discretion of the Vendor for the benefit of the Project or the common property, such as (by way of example only and without limitation) changing the location and size of the parking or Storage, or the addition or movement of piping, valves, water metres or other like items and same shall not give the Purchaser reason to terminate this Agreement nor entitle the Purchaser to any compensation.
- (g) In the event that the Vendor intends to develop other phases or buildings within the Project, the Vendor shall have sole and complete discretion over the design, construction and completion of such other phases or buildings and the Purchaser agrees not to object or interfere in any way with the approvals for construction of such other development.
- (h) The Purchaser expressly acknowledges that the Vendor is in the process of applying for the required Development Permit(s) and Building Permit(s) for the Project. If the Vendor shall be unable to obtain the required Development Permit(s) and/or Building Permit(s), in form satisfactory to the Vendor in its sole and absolute discretion, within a reasonable period of time, in the sole and absolute discretion of the Vendor, from the date of this

Agreement then the Vendor may, at its option, return any deposit to the Purchaser (without interest) whereupon this Agreement shall terminate, the parties will be released from their obligations in this Agreement and the Purchaser shall have no recourse whatsoever of any nature or kind against the Vendor.

8. With regard to conveyancing:

- (a) Subject to Section 6 above, the transfer of land shall be prepared at the expense of the Vendor, and executed and delivered to the solicitor for the Purchaser within a reasonable time prior to Confirmed Occupancy Date, together with such other documents as are customary for similar transactions in the Province of Alberta (in the sole opinion of the Vendor's solicitor) or required to give effect to this Agreement (in the sole opinion of the Vendor's solicitor) and upon reasonable trust conditions (in the sole opinion of the Vendor's solicitor) to allow for the completion of the transaction contemplated hereunder, provided however, that if title to the Unit is not available for conveyance on the Confirmed Occupancy Date then the transfer of land shall be delivered to the solicitor for the Purchaser once available and the Purchaser shall be given a reasonable period of time (in the sole opinion of the Vendor's solicitor) to obtain registration of same. The Purchaser shall pay the expense of registration of the transfer and the preparation and registration of the New Mortgage, if required;
- (b) Mortgage application and inspection fees, mortgage appraisal fees and mortgage Insurance Premiums (if any) shall, in any event, be the sole responsibility of the Purchaser;
- (c) The Purchaser acknowledges and agrees that the Vendor shall not be responsible for or held liable for:
 - (i) any changes in or loss of interest rate on any mortgage (new or otherwise) which the Purchaser may obtain from time to time;
 - (ii) any change in or loss of commitment by any lender to provide to the Purchaser mortgage financing; or
 - (iii) any change in or loss of the Purchaser's ability to qualify for any mortgage financing;for whatever reason or however caused including, without limitation, a delay in Closing.
- (d) The taking of possession of the Unit by the Purchaser shall conclusively establish that the Unit has been completed in accordance with this Agreement, except as to such deficiencies as are properly noted on the Certificate of Possession.
- (e) Following the receipt of the documents described in Section 8(a) above, the Purchaser shall cause its solicitor to arrange for completion of any necessary documents and registration of the transfer of land and Mortgage, if any (in that order and without intervening registrations) so as to obtain registration of same on or before the Confirmed Occupancy Date (or such other date as specified by the Vendor's solicitor in the event that title for the Unit is not available on the Confirmed Occupancy Date).
- (f) Subject to Section 6 above, the Purchaser shall pay the entire balance of funds owing hereunder to the Vendor on or before noon on the Confirmed Occupancy Date by way of

bank draft or the Purchaser's solicitor's trust cheque. The Purchaser shall not be entitled to deduct any holdbacks, set-offs, lien holdbacks or any other amounts from the amounts owed.

- (g) If, at the Confirmed Occupancy Date, there remains unadvanced a portion of the funds to be advanced under the mortgage, the Purchaser shall execute such documentation as required by the Vendor to secure payment to the Vendor of such unadvanced funds; provided that if the funds are not advanced due to the fault or circumstances of the Purchaser, the Vendor shall be at liberty to refuse to close the transaction for reason of default on the part of the Purchaser.
9. The Vendor shall have the right from time to time to modify the Project and the Disclosure Documents hereto in accordance with requirements of any regulatory body or mortgagee or as required by the amendment of the Act or the Regulations or in order to accommodate the requirements of other Unit purchasers or to accommodate requests by the Condominium Corporation. Changes to the actual size and layout of the Units may affect the Unit Factors of the Units and therefore the condominium contributions. The Vendor shall have the right in its sole discretion to sell any unit in the Project as it sees fit including the right to change the pricing structure of units within the Project, the right to sell more than one unit to a single purchaser, the right to sell units to a purchaser for any purpose in the Vendor's sole discretion, and the right to retain units as an owner (in which case the Vendor will be subject to all requirements of a unit owner with respect to the units so retained). The Vendor may also modify the location of roadways, walkways, fences, and parking areas and the interior finishing of the common property and exterior finishing of the buildings and the landscaping provided that no modification or decision made in accordance with this paragraph shall:
- (a) increase the cost of the Unit;
 - (b) reduce the common elements available to the Purchaser to a substantial degree; or
 - (c) impair or modify any of the warranties or other obligations of the Vendor;
- claim against the Vendor whatsoever, provided further that any such changes which might give the Purchaser the right at law to rescind the Agreement or claim damages shall only allow the Purchaser to rescind the Agreement and receive a refund of the deposit or other monies paid by the Purchaser (except occupancy compensation or rent) without interest and the Purchaser will have no claim for consequential or any damages.
10. The Vendor may extend, modify or re-divide the condominium plan(s) for the Project to provide for smaller or larger units and the Purchaser will agree to resolutions of the condominium corporation approving same, or for application to the Court for that purpose or any other steps or proceedings that the Vendor may require, in its absolute discretion.
11. The Vendor represents and warrants to the Purchaser that:
- (a) It is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
 - (b) It is not the agent or trustee for anyone with an interest in this property who is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

12. The Purchaser represents, warrants, covenants, acknowledges and agrees that:

- (a) the Purchaser's use and occupation of the Unit shall be subject to the By-laws and such other rules and regulations enacted by the Condominium Corporation from time to time;
- (b) the Purchaser shall be responsible for assessments made from time to time by the Condominium Corporation in respect of the operation and maintenance of the common and managed property;
- (c) the Unit and the Condominium Corporation are subject to the provisions of the Act;
- (d) the Purchaser shall, upon completion of the purchase of the Unit, be subject to a Management Agreement;
- (e) the Purchaser has received from the Vendor the documents referred to in clause 29 hereof;
- (f) the Purchaser shall take title to the Unit in compliance with the names on the Purchase Contract and in such names as shall be designated to the Vendor's solicitor on or before Closing;
- (g) the Purchaser hereby authorizes its solicitor to act as its agent for the purpose of receiving from the Vendor or its solicitor all documents and the receipt thereof by the Purchaser's solicitor shall be a good discharge therefor;
- (h) in the event that the Unit contains any valves, water metres or similar items which are for the benefit of other units in the Project or the common property, the Vendor and/or the condominium corporation may require routine access to the Unit for tests required by governmental bodies having jurisdiction (as an example only and without limitation, for cross-connection tests) and the Purchaser shall provide such access when required and such obligation shall not impact the Purchase Price;
- (i) Until such time as construction of the Project is fully completed in the sole discretion of the Vendor, the Purchaser shall allow the Vendor access to the Unit as and when required by the Vendor upon reasonable notice;
- (j) Any and all signage to be utilized by the Purchaser will be subject to approval by the Vendor and/or the condominium board in accordance with the condominium bylaws; and
- (k) all covenants, warranties and representations of the Purchaser herein are for the sole benefit of the Vendor and shall survive the Closing and any registration of all transfers of land and bills of sale hereunder.

13. All money owing to the Vendor shall be paid to the Vendor or the Vendor's solicitor on or before the date provided therefore. If the Vendor agrees to accept monies after the date provided therefore, the Purchaser shall pay to the Vendor interest at **EIGHTEEN (18%) PERCENT** per annum on any monies owing to the Vendor at the due date, from the due date until that money has been paid and is releasable to the Vendor. The foregoing shall not prejudice or inhibit any other right or privilege the Vendor may have at law or equity on the default of the Purchaser to make timely payment of monies due.

14. The Purchaser agrees to meet a representative of the Vendor prior to or on the Confirmed Occupancy Date to inspect the Unit and complete and sign the inspection/possession sheet which shall conclusively establish that construction of the Unit has been completed to the satisfaction of the Purchaser (save for the deficiencies noted on the inspection/possession certificate) and possession of the Unit is accepted by the Purchaser. Under no circumstances will possession be given to the Purchaser unless and until the inspection/possession certificate is completed, signed and delivered by the Purchaser to the Vendor. The Purchaser agrees that the Unit inspection is to be conducted jointly with the Purchaser (no other person or persons in replacement of or in addition to the Purchaser to attend such inspection unless agreed to in writing by the Vendor) and the field superintendent or other duly authorized representative of the Vendor. If the Purchaser does not attend the inspection pursuant to the Inspection Notice or refuses to sign the inspection/possession sheet, the Vendor may at its option, be appointed attorney for the Purchaser and execute the inspection/possession sheet and any other documents required by the Vendor with respect to inspection and possession on behalf of the Purchaser and in the Purchaser's name.
15. Notwithstanding anything contained in this Agreement to the contrary, it is understood and agreed by the parties hereto that in the event that construction of the Unit is not completed on or before the Confirmed Occupancy Date, for any reason except for the Vendor's wilful neglect, or in the event the Purchaser cannot take possession of the Property on the Confirmed Occupancy Date by reason of any fire damage or other hazards or damages whatsoever occasioned thereto, the Vendor shall not be responsible or liable for reimbursing the Purchaser for any costs, expenses or damages suffered or incurred by the Purchaser as a result of such delay or damage and specifically, shall not be responsible for any costs and expenses incurred by the Purchaser in obtaining alternate accommodation pending the completion of construction of the Unit or the rectification of the damage, nor for any costs incurred in having to store or move the Purchaser's furniture or other belongings pending such completion or rectification work, nor for any additional mortgage financing costs due to a subsequent increase in the interest rate nor for any damages relating to the expiry of any mortgage commitment.
16. The Purchaser expressly acknowledges and agrees that the Purchase Price is payable to the Vendor without qualification or condition, and no conditions of trust or holdback, including without limitation, any deficiency, Builders' Lien or completion holdback shall be permitted in connection with the payment of funds in the closing and completion of the sale under this Agreement, unless otherwise expressly agreed to by the Vendor in writing.
17. This Agreement shall not be sold or assigned by the Purchaser before final closing without the prior written consent of the Vendor, which consent may be arbitrarily withheld. If the Purchaser desires to sell the Unit after taking possession, the Purchaser shall not display any "For Sale" signs on the Unit, common areas, buildings or Project and grants to the Vendor or the Condominium Corporation the right to remove such signs in the event the Purchaser is in breach of this provision. Should the Purchaser so sell or transfer the Unit or assign this Agreement without the Vendor's written consent, prior to Closing, such act shall constitute a default of the Purchaser under this Agreement.
18. The Purchaser acknowledges that registration of a Caveat or other instrument respecting this Agreement may affect transfers or mortgage advances on other condominium units and the Purchaser therefore covenants that he will not register such Caveat or instrument against the title to all or any portion of the land comprising the Unit, common areas or other units. In the event the Purchaser breaches the covenant contained herein, the Purchaser shall pay all damages, costs and expenses incurred or suffered by the Vendor as a result of such breach, including legal costs on a solicitor and his own client basis.

19. The Purchaser is aware that the Vendor has the right to arrange for a professional manager for the Project with such manager as the Vendor, in its sole discretion, selects, or the Vendor may elect to manage the Project itself. The Purchaser acknowledges that management costs for the Project, whether in respect of a third party manager or the Vendor itself, shall be included in common expenses.
20. The Unit shall be at the risk of the Vendor until title is conveyed to the Purchaser and in the event of substantial or total loss or damage to the Unit (as determined by the Vendor in its sole discretion) occurring before such time by reason of fire, lightning, tempest, earthquake, flood, riot, civil commotion, insurrection or other acts of God, either the Vendor or the Purchaser may, at his option, cancel this Agreement within thirty (30) days of the date of the said loss or damage and thereupon the Purchaser shall be entitled to the return of any monies paid as deposits hereunder without interest and the Vendor shall have no further liability hereunder. In the event the damage is not substantial or total (as determined by the Vendor in its sole discretion), the Vendor agrees to restore and complete the Unit and interim occupancy rental otherwise payable by the Purchaser shall, to the extent the Purchaser's occupation of the Unit is interrupted, be abated. All proceeds of any insurance policies in force shall belong to the Vendor and the Purchaser shall have no interest therein or thereto. The Unit shall be at the risk of the Purchaser after title is conveyed to the Purchaser.
21. The Unit is sold subject to the *Condominium Property Act*, R.S.A. 2000, c. C-22 as amended and:
- (a) reservations and exceptions appearing on the existing certificate of title for the lands and/or the Unit;
 - (b) any Development Requirements which shall include all subdivision or other agreements, covenants and restrictions, easements, licenses and rights required or imposed by the Vendor, Developer, Municipality or other affecting authorities including, among others, utilities and transit authorities;
 - (c) any registered caveats, charges, restrictive covenants, encumbrances, rights-of-way, encroachment agreements, easements and any other instruments in favour of the City of Calgary, utility companies, public authorities or any other parties arising by virtue or in connection with the approval or construction of the Condominium Project, the registration of the Condominium Plan, the Construction Mortgage or other Vendor financing registered or to be registered against title to the Lands (and to be subsequently discharged as provided in this agreement);
 - (d) the implied easements under and by virtue of the *Condominium Property Act*, as amended; and
 - (e) all easements and restrictions contained in the Proposed By-Laws.

The Purchaser shall accept title subject to and comply with, all Development Requirements, provided there does not exist default under any of the foregoing and provided that the Purchaser's use of the Unit for residential purposes is permitted. The Purchaser agrees that the Vendor shall not be obligated on closing, or thereafter, to obtain or register releases of any Development Requirements provided the same have been complied with as of closing date. Title may also be subject to easements for access, maintenance or encroachment required for adjoining and other properties and to the encroachments permitted thereby.

The Purchaser acknowledges and agrees that various equipment, signage and infrastructure including, without limitation, telecommunication and/or electrical pedestals and equipment, community mailboxes, streetlights, fire hydrants, catch-basins, landscaping features, subdivision entrance features and bus stops and/or shelters, may be located on or adjacent to the Lands and may be visible from the Unit and that sidewalks may be constructed adjacent to the Lands whether or not shown on any plans existing at the time of acceptance hereof and such items will not be a cause for an abatement of the Purchase Price or any other claim of any kind by the Purchaser.

22. The Purchaser is aware that upon registration of the Condominium Plan, a Condominium Corporation (the "Condominium Corporation") will be or was, as the case may be, established to operate and maintain the common elements and Managed Property of the condominium Project. The Purchaser agrees to observe and perform the terms and conditions of the Act, the By-Laws and the regulations of the Condominium Corporation. The Vendor agrees to register substitutional or replacement By-Laws which shall be substantially in the form as the Proposed Condominium By-Laws.
- 23.
- (a) The Vendor is hereby granted the unrestricted right, at its option, to cancel and terminate this Agreement at any time prior to final Closing upon written notice to that effect to the Purchaser, and to declare the whole balance of the Purchase Price immediately due and payable together with interest thereon, in the following circumstances:
 - (i) if the Purchaser makes an assignment of this Agreement without first obtaining the written consent of the Vendor;
 - (ii) if the Purchaser becomes insolvent or bankrupt;
 - (iii) if the Purchaser fails to deliver any of the deposits provided for herein within the time prescribed for payment thereof;
 - (iv) if the Purchaser fails to comply with any of the terms of this Agreement or fails to complete or execute or deliver any document or instrument herein required or provided for;
 - (v) if the Purchaser fails to notify the Vendor of any contact information changes at the time such changes occur; and
 - (vi) if, in the sole opinion of the Vendor, the Purchaser is not cooperating with the Vendor or acting in good faith, or if the Purchaser's actions or inactions are delaying the completion of the Unit.
 - (b) Should any condition to this Agreement either not be satisfied or waived, as the case may be, or if this Agreement is statutorily rescinded, on the return of the deposits paid this Agreement shall be considered null and void and the Purchaser shall have no further claim against either the Vendor or the property;
 - (c) In the event this Agreement is cancelled or terminated by the Vendor pursuant to this clause, the Purchaser will vacate the Unit within fifteen (15) days of the date of notice of termination and the Vendor shall, at its option, retain any deposits made hereunder and the same shall be absolutely forfeited to the Vendor as liquidated damages (without in

any way restricting the Vendor from pursuing any claim or other action of any nature to which it may be entitled at law against the Purchaser);

- (d) In the event of termination or cancellation of this Agreement, the Vendor shall be entitled to be reimbursed for the cost of paying out any lien, execution or encumbrance attributable to the Purchaser and the cost of any extras or improvements requested by the Purchaser;
 - (e) If this Agreement is terminated by either party pursuant to this Clause, the Vendor shall promptly inspect the Unit and if, in the sole opinion of the Vendor, any redecoration or repair thereto is required to restore the Unit to its condition as at the Possession Date, the same may be effected by the Vendor at the sole cost of the Purchaser and the Vendor may deduct the cost thereof from the deposit monies of the Purchaser held by the Vendor and/or demand payment of such cost from the Purchaser;
 - (f) Any rental or common expenses paid by the Purchaser hereunder are not refundable in the event of termination.
24. The Purchaser acknowledges that there are no recreational facilities, recreational agreements, equipment or other amenities to be used by the occupants of the project and there is no equipment to be provided by the Vendor to be used for the maintenance of the common or managed property.
25. The Unit Factor for each Unit has been estimated and has been apportioned based on anticipated maintenance costs. Minor adjustments may be made to the Unit Factor for the Unit as may be necessary to make the Unit Factors for all the units total 10,000 as required by law. The Purchaser agrees that the actual Unit Factor will be determined from the Condominium Plan filed at the Land Titles Office.
26. It is estimated that the monthly common expenses contribution for each Unit shall be as set out in the Proposed Condominium Operating Budget. The Purchaser acknowledges that this amount is an estimate only and is subject to change by the Condominium Corporation constituted upon registration of the Condominium Plan or its Board of Directors.
27. The Purchaser hereby agrees that failure to complete other units, or the common property, before the Confirmed Occupancy date for the Unit shall not be deemed to be a failure to complete the Unit so as to be reasonably suitable for occupation by the Purchaser.
28. The Purchaser acknowledges that the Unit is or will be a Unit in a condominium project and the Purchaser further acknowledges that pursuant to s.12 and s. 13 of the Act, the Purchaser has, with or before the submission hereof, received a copy of the Purchase Agreement and copies of the Schedules set out in paragraph 29.
29. The Schedules referred to in this Agreement, which may be attached hereto or included in the Condominium Document Binder, are deemed to be incorporated herein and include the following (note that all unsigned agreements or unregistered documents are as proposed):

SCHEDULE "A"

Proposed Site Plan being a drawing showing the location of roadways, walkways, fences, parking areas, landscaping, utility easements, retaining walls and similar significant features.

SCHEDULE "B"

Proposed Condominium Plan(s)

SCHEDULE "C"

Proposed Condominium Operating Budget. The attached Budget is an estimate presented for informational purposes only and the Vendor accepts no responsibility for the accuracy of the estimated figures

SCHEDULE "D"

Proposed Condominium By-Laws

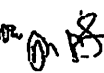
The Purchaser acknowledges and agrees that the Vendor shall be entitled to make changes to the above documents provided that the changes will not materially alter or affect the value, marketability, amenities or appearance of the property purchased by the Purchaser hereunder (as determined by the Vendor acting reasonably).

30. The Purchaser agrees that notwithstanding the provisions of the By-Laws of the Project the mortgage lender shall have the right to erect a sign on the common property advertising the source of financing and the Vendor shall have the right to maintain and use a reasonable number of units for display and sale purposes and exhibit a sign or signs advertising the location of such display units on or about the display units or on the common property until all the units in the Project are sold and that any provisions of the By-Laws which might restrict the Vendor in this respect, if any, are hereby waived by the Purchaser.
31. The Purchaser understands that the construction site is hazardous. The Purchaser shall have no right of access to the Unit until possession is provided by the Vendor, and if the Purchaser shall enter the Unit or the Project prior to possession, the Purchaser shall do so at the Purchaser's sole risk, and the Purchaser shall indemnify the Vendor from and against any and all loss, injury, damages, claims and costs occasioned to the Project or Vendor in consequence of such entry (including without limitation where arising through injury or loss to a guest or invitee of the Purchaser). In the event that the Purchaser should breach the provisions of this section, the Vendor shall have the option of declaring this Agreement null and void where upon the rights and interest created or then existing in favour of the Purchaser or derived under the provisions of this Agreement shall cease and terminate and the Purchaser shall have no right to reclaim any monies paid with respect to this Agreement, and the same shall be retained by the Vendor.
32. This Agreement is the entire agreement between the parties and they acknowledge and conclusively agree that there are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements either express or implied, either by law or custom, save those mentioned in this Agreement and the annexed Schedules, and that no oral or written agreements, representations, promises or any warranties made by any person shall be binding upon the Vendor unless made in writing and signed on behalf of the Vendor.
33. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
34. All notices required herein shall be in writing and shall be delivered or mailed to the Purchaser at the address of the Unit, if the Purchaser has taken possession, or at the Purchaser's address below if the Purchaser has not taken possession, and to the Vendor at the address below. Any notice shall be deemed to be served on the date of delivery or if mailed, upon the fourth day following its deposit, postage prepaid, at a post office or postal box in Alberta.
35. The Vendor has placed or may be placing a blanket mortgage or mortgages against the Lands to finance the construction of the Project (the "Construction Mortgage") and shall be entitled to

receive any and all proceeds of advances made under the Construction Mortgage. The Vendor agrees to require the Construction Mortgage to provide that upon payment of an amount not exceeding the Purchase Price, the Mortgagee thereunder will provide a partial discharge of the Construction Mortgage with respect to the Unit. The Purchaser agrees that the Vendor may use a portion or all of the Purchase Price to obtain such partial discharge and that the discharge may be registered subsequent to the Confirmed Occupancy Date. Within a reasonable time after the closing, title to the Unit shall be clear of any mortgages and financial charges occasioned by the Vendor. All costs of discharging any existing mortgages or other financial charges occasioned by the Vendor are to be borne by the Vendor.

36. All the rights, obligations, representations, warranties, covenants and indemnities contained in this Agreement shall in no way merge with the Transfer of the Unit hereunder and shall in all respects remain in full force and effect notwithstanding conveyance of the Unit.
37. The parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intended meaning of this Agreement.
38. If any dispute arises between the Vendor and the Purchaser with respect to any matter in relation to this Agreement or any rights or obligations under the *Condominium Property Act*, R.S.A. 2000, c-22, the dispute shall be settled by binding arbitration pursuant to the *Arbitration Act* of the Province of Alberta, provided that the arbitral tribunal shall be composed of one arbitrator.
39. This offer shall be open for acceptance by the Vendor in writing until 6:00 o'clock p.m., on the 5th business day following the date hereof. Provided that if it is accepted by the Vendor and not rescinded within the time limited in paragraph 1(a) of this Agreement, then it shall be a fully binding Agreement in all respects in accordance with the terms set out herein. Time is of the essence of this Agreement.
40. This Offer to Purchase and any contract constituted as a result of acceptance thereof by the Vendor shall be governed by the laws of the Province of Alberta.
41. If any provision of this Agreement is, or becomes, illegal, invalid or unenforceable, such provision shall be severed from this Agreement and be ineffective to the extent of such illegality, invalidity or unenforceability. The remaining provisions of this Agreement shall be unaffected by such provision and shall continue to be valid and enforceable.
42. This Agreement may be amended, revoked or terminated only by written agreement executed by both parties hereto.
43. Each of the Parties has been advised, and given sufficient opportunity, to seek independent legal advice prior to executing this Agreement. The Parties are each satisfied in all respects with the rights and obligations created by this Agreement and the Parties further agree that this Agreement shall not be interpreted against on party merely because such party has drafted all or part of this Agreement.
44. In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.
45. Subject to those allowances for time permitted in this Agreement, time shall be of the essence in this Agreement.

46. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by email (PDF) facsimile transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.
47. **IN RELATION TO THE TRANSACTIONS HEREIN CONTEMPLATED, THE VENDOR WILL COLLECT PERSONAL INFORMATION ABOUT THE PURCHASER. THE PURCHASER HEREBY CONSENTS TO THE DISCLOSURE OF ANY OR ALL SUCH PERSONAL INFORMATION BY THE VENDOR TO:**
- (a) **BANKS OR OTHER FINANCING ENTITIES FOR THE PURPOSE OF THE VENDOR APPLYING FOR AND OBTAINING FINANCING AND TO THE EXTENT REQUIRED BY THE TERMS OF ANY OF THE VENDOR'S FINANCING; AND**
 - (b) **ANY THIRD PARTIES WHO MAY APPROACH THE VENDOR FOR THE PURPOSE OF SUCH THIRD PARTY PROVIDING SERVICES TO THE PURCHASER AND OTHER PURCHASERS WITHIN THE PROJECT.**

DATED at the City of Calgary, in the Province of Alberta, this 23 day of August, 2016 

PURCHASER(S):

Corporate Name, if applicable:

Witness



Per:

Name:

Title, if applicable:

Per:

Name:

Title, if applicable:

Witness

THE PURCHASER EXPRESSLY ACKNOWLEDGES RECEIPT OF A FULLY EXECUTED COPY OF THE WITHIN PURCHASE AGREEMENT AND ALL SCHEDULES REFERRED TO THEREIN WHICH PERTAIN TO THE PROJECT THIS 23 DAY OF August, 2015 *08*

PURCHASER(S):

Corporate Name, if applicable:

Witness

Per:

Name:

Title, if applicable:

Witness

Per:

Name:

Title, if applicable:

ACCEPTANCE

The undersigned Vendor of the Unit, hereby accepts the within Offer subject to all the terms and conditions therein set forth and acknowledges receipt of the initial deposit.

CEANA DEVELOPMENT SUNRIDGE INC.

DATED: _____

Per:

Name:

Title:

It is agreed between purchaser & seller (ceana development sunridge inc) that the purchaser has First Right of Refusal to move to any other Location in any Front Building "A", "B", "C" & "D". The purchase price will remain same as per sq ft price

[Signature]
purchaser.

[Signature]
seller.

PURCHASER'S INFORMATION

Full Name of Purchaser(s):

Work Phone Number:

Home Phone Number:

Cellular Phone Number:

Current Address:

Purchaser's Lawyer:

Lawyer Phone Number:

Lawyer Fax Number:

VENDOR'S INFORMATION

Vendor:

Ceana Development Sunridge Inc.

Phone Number:

403-397-6606

Fax Number:

Address:

101, 3115 - 12th Street NE

Calgary, Alberta T2E 7J2

Vendor's Lawyer:

Khalil Haji - KH/Dunkley Law Group

Lawyer Phone Number:

403-207-4662

Lawyer Fax Number:

403-206-0672

NOTICE OF WAIVER/SATISFACTION OF PURCHASER'S CONDITIONS

To: CEANA DEVELOPMENT SUNRIDGE INC.
101, 3115 - 12th Street NE, Calgary, Alberta, T2E 7J2

From: 1989207 Alberta Inc (the "Purchaser")

Re: Property Address: CRU 9, 2255 - 32nd Street NE, Calgary, Alberta

TAKE NOTICE that:

1. The Purchaser hereby waives the condition(s) precedent for its sole benefit and which are described in Section 1 of the purchase contract made between the Vendor and the Purchaser (the "Purchase Contract"), being:
 - (a) This Offer is conditional upon the Purchaser reviewing all proposed bylaws, proposed budget and Project related material within ten (10) days of delivery to the Purchaser. If this Offer is withdrawn by the Purchaser within this ten (10) day period, all deposit monies will be returned to the Purchaser without deduction. This condition shall be deemed to be waived by the Purchaser at the expiration of the ten (10) day period unless the Purchaser, by written notice to the Vendor prior to the expiry date, advises that the condominium documents are unsatisfactory and the Offer is withdrawn.
 - (b) If a new mortgage is contemplated above, this Offer is conditional upon the Purchaser obtaining approval for new financing on or before the expiration of ten (10) days from the Vendor's acceptance, failing which this Offer shall terminate and all monies paid by the Purchaser to the Vendor shall be refunded.
2. The Purchaser is providing this written notice to the Vendor in compliance with Section 1 of the Purchase Contract.
3. All other provisions in the Purchase Contract remain in full force and effect.
4. In this notice, the singular shall be constituted as the plural where the context so requires.

[Remainder of page intentionally left blank.]

5. This notice shall enure to the benefit of, and be binding upon, the Purchaser and its heirs, executors, administrators and assigns.

DATED at the City of Calgary, in the Province of Alberta, on 23 August 2016.

PURCHASER(S):

Corporate Name, if applicable:

1959207


Per:

Name:

Title, if applicable:


Witness

Witness

Per:

Name:

Title, if applicable:

THIS IS EXHIBIT

D

referred to in the Affidavit
of Masoud Rahnama
Sworn before me this 21st day

JOINT VENTURE AGREEMENT

December

A.D., 2020

Dated effective the 23 day of August, 2016

Between:

Name:

1989207 Alberta Inc.

Address:

1528 18 Ave N.W. Calgary T2M 0W8

*A Commissioner for Oaths in and
for Alberta*

TCHUPA CHIBAMBO

Barister, Solicitor & Notary Public

Hereinafter called
"the Joint Venturer"

- and -

CEANA DEVELOPMENT SUNRIDGE INC.

(a joint venture corporation)

101, 3115-12 ST N E. Calgary, Alberta T2E 7J2

Hereinafter called "THE CORPORATION"

Recitals

WHEREAS THE CORPORATION is or is about to become the registered owner of Lands;

AND WHEREAS the Joint Venturer wishes, along with other Joint Venturers, to acquire a participating interest in the Joint Venture Assets.

AND WHEREAS each party wishes to hold its respective Participating Interest according to the terms of this Agreement, and wish THE CORPORATION to hold title to the Joint Venture Assets in trust for the Joint Venturers.

NOW THEREFORE the parties have agreed to enter into this Agreement to record their respective rights and obligations in connection with their respective Participating Interest in the Joint Venture Assets. Accordingly, the parties agree as follows:

ARTICLE 1: INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words or expressions will have the following meanings:

- (a) "ABCA" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9 including the regulations enacted under that Act, and any amendments thereto;

- (b) **"Accounting Year"** in respect of the Joint Venture means the calendar year;
- (c) **"Additional Contribution(s)"** means the aggregate amounts paid by a Joint Venturer to or on behalf of the Joint Venture under section 5.2 that have not been repaid to that Joint Venturer;
- (d) **"Affiliate"** means, with respect to a Joint Venturer, a corporation that is affiliated with that Joint Venturer according to the provisions of the ABCA;
- (e) **"Arm's Length"** will have the meaning ascribed to that term in Section 251 of the *Income Tax Act* at the date of this Agreement;
- (f) **"Contribution(s)"** in respect of a Joint Venturer means the aggregate of the Initial Contribution and the Additional Contribution, if any, of a Joint Venturer;
- (g) **"Control" or "Controls" or "Controlled"** means:
 - (i) the right to exercise a majority of the votes that may be cast at a general meeting of a corporation or a partnership; and
 - (ii) in the case of a corporation, the right to elect or appoint directly or indirectly a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation;
- (h) **"Distributable Cash"** means cash generated by the Joint Venture from all sources and available for distribution to the Joint Venturers and that is determined by the Manager not to be required for use in connection with the proper management of the business of the Joint Venture;
- (i) **"IFRS"** means the International Financial Accounting Standards applicable to the business of the Joint Venture, as those principles-based standards, interpretations and the framework are established and revised by the International Accounting Standards Board (IASB), or any successor organization from time to time applied on a consistent basis;
- (j) **"Income Tax Act"** means the *Income Tax Act* of Canada, and any amendments thereto;
- (j) **"Initial Contribution(s)"** means the amount paid by a Joint Venturer to or on behalf of the Joint Venture under section 5.1 and that have not been repaid to that Joint Venturer;
- (k) **"Joint Venture"** means the association between the Joint Venturers for the development of the Lands and the Project as contemplated in this Agreement;
- (l) **"Joint Venturer"** means each party (and each of their permitted successors and assigns) subscribing to this agreement or counterpart agreement and **"Joint Venturers"** means, collectively all parties (and each of their permitted successors and assigns) subscribing to concurrent agreements identical to this agreement except for name of Joint Venturer and level of participation;

- (m) "Joint Venture Assets" means the Project and all rights, privileges and obligations appurtenant to the Project and includes all of the Lands, all money, bank accounts, personal property and property of every manner and description acquired in connection with the Project and includes all profits of the Project;
- (n) "Joint Venture Interest" in respect of any Joint Venturer, means the undivided Participating Interest of that Joint Venturer in the Joint Venture Assets together with the Contribution of that Joint Venturer;
- (o) "Corporation" means CEANA DEVELOPMENT SUNRIDGE INC., a body corporate incorporated to hold legal title to the property acquired on behalf of the Joint Venture;
- (p) "Lands" means the lands with the municipal address of 2255 32nd ST N E in the City of Calgary in the Province of Alberta and legally described as Plan 9811891, Lot 1, Blk 8
- (q) "Manager" means CEANA DEVELOPMENT INC. by its agent, BOB GAIDHAR.
- (r) "Participating Interest" means, in respect of any Joint Venturer, the proportionate ownership held by that Joint Venturer as initially described in section 4.2 and as may be changed from time to time in accordance with this Agreement;
- (s) "Participating Interests" means more than one Participating Interest;
- (t) "Prime Rate" in any month during the Term, means the variable nominal rate of interest per annum of the Royal Bank of Canada for Canadian commercial loans in Canada as declared by that bank and designated by it as its Prime Rate and in effect at noon on its first business day in that month;
- (u) "Project" means the Lands, all plans, studies, reports, approvals and permits related, all improvements on the Lands and all expenditures made relating to this Agreement in connection with the Agreement in particular relating to the construction of a day care building located at 2255 32 ST N E. Calgary.
- (v) "Term" means the term of the Joint Venture as provided for in section 2.2;

1.2 Headings

Headings used in this Agreement are solely for the convenience of the parties and are not to be used as an aid in the interpretation of this Agreement.

1.3 Gender

All words in this Agreement in the male or neuter gender will be deemed to include the female gender, corporations and partnerships, and a singular number will include the plural number whenever the context requires.

1.4 Schedules

The following schedules attached to this Agreement will for all purposes be deemed to be a part of this Agreement:

Schedule "A" – Form of Subscription for Shares in Corporation

ARTICLE 2: PURPOSE AND TERM

2.1 Purpose

The Joint Venturers will and by this Agreement define how they intend to acquire, develop and sell their respective Participating Interests in the Project including:

- (a) developing the Project according to the plans approved by the Management Committee or the Manager;
- (b) selling the Lands; and
- (c) engaging in such other activity as may be considered by the parties to be necessary or desirable.

Term

The Term of this Joint Venture will begin as and from the date of signing of this Agreement and will continue in force until:

- (a) all of the Lands and Project have been sold;
- (b) all liabilities and obligations of the Joint Venture have been discharged; and
- (c) all revenues have been distributed to the Joint Venturers under the terms of this Agreement.

ARTICLE 3: SCOPE OF THE JOINT VENTURE AND JOINT VENTURERS' AUTHORITY

3.1 No Partnership

This Agreement will not be construed as creating a partnership or any other relationship

between the Joint Venturers other than the relationship of joint venturers with respect to the Project or between any of the Joint Venturers and the Corporation.

3.2 Rights Several

All rights, duties, obligations and liabilities of the Joint Venturers under this Agreement will be separate, individual and several and not joint or joint and several.

3.3 Limit on Other Business

Each of the Joint Venturers will devote the time required to fulfill any obligation assumed by it under this Agreement, but each of the Joint Venturers will be at liberty to engage in any other business or activity outside the Joint Venture, including any activity or business that may compete with that of the Joint Venture.

3.4 Limit on Authority to Act

The parties appoint CEANA DEVELOPMENT INC. as the Manager of the Project with all the powers, rights and obligation as further described in Article 6. Except as otherwise expressly and specifically provided in this Agreement, no Joint Venturer will have any authority to act for, or assume any obligation or responsibility on behalf of the other Joint Venturers or the Joint Venture and each of the Joint Venturers will indemnify and save harmless the other Joint Venturers from any and all liability, obligation, claim or loss resulting from any unauthorized act of such Joint Venturer with respect to the Project or the Joint Venture.

3.5 No Partition

Except as otherwise provided in this Agreement or in any agreement contemplated by this Agreement, no Joint Venturer will register against title to the Lands any document, instrument or notice of its interest in the Lands or any part of the Lands nor apply for any partition or sale of the Lands.

3.6 Participating Interests

Unless this Agreement provides otherwise, all benefits, advantages and liabilities derived from, or incurred in respect of the Joint Venture will be borne by the Joint Venturers in proportion to their respective Participating Interests.

3.7 No Fiduciary Obligations

The Joint Venturers will have no fiduciary obligations to each other in their capacity as joint venturers. The Joint Ventures must inform each other of any bankruptcy or litigation issues.

3.8 Profit

While the Joint Venturers are in this business to make money, each agrees with the other that there is no guarantee that a profit will be made from the efforts of all parties. The profits will be allocated as follows:

CEANA DEVELOPMENT INC. will receive 5% of the profits

Each Joint Venturer will receive their pro-rated portion of 95% of the profits

3.9 Taxes

Each of the Joint Venturers will be responsible for their own taxes.

ARTICLE 4: JOINT VENTURE INTERESTS

4.1 Interests

Each Joint Venturer will have an undivided beneficial co-ownership interest in the Joint Venture Assets according to its Participating Interest.

4.2 Ownership

Each of the Joint Venturers will own as an undivided beneficial interest in the Joint Venture Assets according to its Participating Interest. Beneficial ownership of the Project will be held by the Joint Venturers (and for certainty, Ceana Development Inc. is a Joint Venturer hereunder in addition to being the Manager, and such roles are separate and distinct) in the following proportions:

CEANA DEVELOPMENT INC.'s Participating Interest	400
All other Joint Venturers' collective Participating Interest	3,600
TOTAL Participating Interests of all Joint Venturers:	4,000

and all benefits, advantages, losses and liabilities derived or incurred regarding the Project will be borne by the Joint Venturers in proportion to their Participating Interest. For certainty, Ceana Development Inc. will receive 5% of the profits as a management fee for completion of its duties as the Manager hereunder and the Joint Venturers (including Ceana Development Inc.) will receive 95% of the profits, to be divided proportionately according to the Participating Interests of each Joint Venturer.

4.3 Title of the Corporation

The Corporation will hold title to all of the Joint Venture Assets acquired or transferred to it as bare trustee for and on behalf of the Joint Venturers.

4.4 Further Instruments

From time to time, the Corporation will sign and deliver all declarations and other instruments and documents and do or cause to be done all other acts and things that may be necessary to give effect to the provisions and intentions of this Agreement.

ARTICLE 5: CONTRIBUTIONS

5.1 Initial Contributions

The total Initial Contribution to be raised by the Joint Venture is \$4,000,000.00. There will be a total of 4,000 Participating Interests. Thus, each Participating Interest shall require an Initial Contribution of \$1,000.00.

The Joint Venturer in this agreement will make the following Initial Contributions to be used for the acquisition of the Lands, related costs and working capital, with the other Joint Venturers. Each Joint Venturer will be a party to a Joint Venture agreement identical to this agreement, except for level of participation:

PARTY	NUMBER OF PARTICIPATING INTERESTS	TOTAL INITIAL CONTRIBUTION
CEANA DEVELOPMENT INC.	400 / 4,000	\$400,000.00
Joint Venturer hereunder	<u>300</u> / 4,000	<u>\$ 300,000 .</u>

The Joint Venturer shall pay the Initial Contribution to CEANA DEVELOPMENT SUNRIDGE INC.

The Initial Contributions will be advanced on an interest-free basis. It is acknowledged and agreed that the Initial Contributions will be advanced to the Joint Venture for an extended period and will only be repaid when the business activities of the Joint Venture warrant the return of the Initial Contributions.

The Manager will build and manage the project on behalf of the Corporation.

The leasing and sales will be marketed under CEANA DEVELOPMENT's Banner.

The Manager can hire in house staff to do certain jobs in connection with the Projects, as long as the Joint Venture is billed at fair market value for such services.

5.2 Additional Contributions and Payment of Invoices

On a monthly-basis The Manager will submit invoices. Failure by the Corporation to

pay invoices can result in a delay of the Project. (these invoices and payments are to remain confidential and cannot be shared with any outside party except the support staff of the directors)

The Manager can pay for products and services using a credit card. This will be reimbursed on a monthly basis.

5.3 Warranty

The Manager ("the Corporation") will provide a warranty to THE CORPORATION as follows:

5.4 Return of Contributions

It is agreed that no Joint Venturer will demand or require the return of any capital advanced to the Joint Venture as the Initial Contribution. It is intended and agreed upon that capital paid as Additional Contributions by Ceana will be returned in priority to capital paid as Initial Contribution by Joint Venturers. The decision to return the capital advanced by the Joint Venturers will require the approval of the Manager.

Once all monies have been received from sales then the financial institution will be paid first, the Initial Contributions will be paid second on a pro-rata basis. Profits, if any, for all parties will then be paid on a pro-rata basis.

5.5 Development Financing

- (a) THE CORPORATION will obtain an interim line of credit in the amount of \$1,000,000 to be used for the initial development work relating to the Project including obtaining of the development permit. This interim line of credit will be paid out of the construction draws.
- (b) THE CORPORATION will actively pursue and work towards obtaining satisfactory bank credit and servicing financing for the development of the Lands, it being the intention of the parties that financing be sought in the amount of \$8,000,000 or in the highest amounts obtainable so that the equity investment required by each Joint Venturer will be kept to the minimum amount possible.

Each of the Joint Venturers acknowledge that in satisfaction of these objectives, the Joint Venture will obtain the development financing that will be secured by a mortgage and charge over the property, assets and undertaking of the Joint Venture including the Lands (the Lender Security). If necessary or required, Shotgun financing may be needed.

Each of the Joint Venturers agree that any interests they have in the Joint Venture Assets, and any liens arising out of this Agreement, will for all purposes be postponed and ranked subordinate to the Lender Security and all amounts secured under the Lender Security at any time and from time to time, regardless of the date of registration of any charges.

- (c) The Joint Ventures acknowledge that the Lender Security shall include a borrower beneficiary authorization and charge agreement (or similar type document) pursuant to which the Joint Venturers (as beneficial owners of the Joint Venture Assets) authorize the Corporation to mortgage, charge and grant a security interest in the Joint Venture Assets to the applicable lender, and similarly mortgage, charge and grant a security interest of its beneficial interest in the Joint Venture Assets to such lender. In furtherance of the foregoing, the Joint Venturer hereby irrevocably nominates, constitutes and appoints the Corporation, with full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead to:
- (i) execute, acknowledge and deliver the Lender Security to such lender including the borrower beneficiary authorization and charge agreement;
 - (ii) execute any other agreements requested in connection with the Lender Security; and
 - (iii) execute any other agreement that is required by such lender in furtherance of the development and construction financing on the Lands in relation to the Project.

The power of attorney granted herein is coupled with an interest and is irrevocable and will survive the disability or legal incapacity of a Joint Venturer or the assignment by a Joint Venturer of the whole or any part of its interest in the Joint Venture Assets and extends to and is binding upon the heirs, executors, administrators and other legal representative and successors and assigns of such Joint Venturer and, if such Joint Venturer is a natural person, will survive the death or disability of such Joint Venturer until notice of such death or disability is given to the Corporation and may be exercised by the Corporation on behalf of each Joint Venturer in executing any agreement, instrument, deed or other document by listing all the Joint Venturers thereon and executing such agreement, instrument, deed or other document with a single signature as attorney and agent for all of them or by executing such agreement, instrument, deed or other document on behalf of the Joint Venturer. Each Joint Venturer agrees to be bound by any representation or action made or taken by the Corporation pursuant to the power of attorney granted herein and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Corporation taken in good faith under such power of attorney.

5.6 Capital Requirements

Once development activities in relation to the Lands commence, the Manager will be required to provide to the Joint Venture budget estimates of the capital requirements as appropriate.

Default of Joint Venturer

- (a) If a Joint Venturer fails to advance to the Joint Venture its share of the Additional Contribution or the Initial Contribution (the "**Capital Requirement**") within the time periods specified (the "**Defaulting Joint Venturer**"), the remaining Joint Venturer (the "**Contributing Joint Venturer**") may advance the Defaulting Joint Venturer's share of the Capital Requirement to the Joint Venture.
- (b) If the Contributing Joint Venturer advances funds to the Joint Venture on behalf of the Defaulting Joint Venturer, that advance will be deemed to be a demand loan made by the Contributing Joint Venturer to the Defaulting Joint Venturer, that the Contributing Joint Venturer has been irrevocably directed to advance to the Joint Venture for and on behalf of the Defaulting Joint Venturer. The loan will bear interest as between the Contributing Joint Venturer and the Defaulting Joint Venturer at the Prime Rate plus 10% per annum.

5.8 Lien

All loans deemed to arise between the Contributing Joint Venturer and the Defaulting Joint Venturer under this Agreement will be and are secured by a first and paramount lien and charge upon the Participating Interest of the Defaulting Joint Venturer in the Joint Venture. In addition to any other rights it may have under this Agreement, the Contributing Joint Venturer will be entitled to all of the rights of a lienholder or encumbrancer in connection with the loan. The Defaulting Joint Venturer irrevocably appoints the Contributing Joint Venturer as its true and lawful attorney to make, sign and deliver any documents and assurances that may be necessary or advisable to give effect to the foregoing. Despite the foregoing, the Contributing Joint Venturer will not be entitled to register a charge or any other encumbrance against the Lands.

5.9 Right Upon Default

Until the Contributing Joint Venturer is repaid the loan in full, any distribution of cash or capital or otherwise will be made subject to the following provisions:

- (a) the Defaulting Joint Venturer will not be entitled repayment until the Contributing Joint Venturer will have been repaid in full; and
- (b) all sums otherwise payable to the Defaulting Joint Venturer will be paid to the Contributing Joint Venturer until the debt and interest owed by the Defaulting Joint Venturer to the Contributing Joint Venturer will have been repaid in full.

5.10 Adjustment of Interests

A Contributing Joint Venturer will have the option at any time after payment by the Contributing Joint Venturer of a contribution on behalf of a Defaulting Joint Venturer remains outstanding for more than 60 days (exercisable by notice in writing to the Defaulting Joint Venturer given at any time after such 60 day period and before payment is made in full by the Defaulting Joint Venturer) to cause the Participating Interest of the Defaulting Joint Venturer to be decreased and the Participating Interest of the Contributing Joint Venturer to be increased to the percentage obtained through the application of the following formula:

TPI = the aggregate sum of the Participating Interests (in fraction or percentage form) of the Contributing Joint Venturer and the Defaulting Joint Venturer immediately before the adjustment contemplated by this Agreement.

DPC = the aggregate of all Contributions made to the Joint Venture by the Defaulting Joint Venturer to the date of the adjustment contemplated by this Agreement excluding only contributions made on behalf of Defaulting Joint Venturers.

CPC = the aggregate of all Contributions made to the Joint Venture by the Contributing Joint Venturer to the date of the adjustment contemplated by this Agreement plus the amount of any advance or advances made by the Contributing Joint Venturer to the Joint Venture on behalf of the Defaulting Joint Venturer to the date of the adjustment contemplated by this Agreement.

TCC = the aggregate of DPC and CPC

revised Participating Interest of a Defaulting Joint Venturer = $\frac{TPI \times DPC}{TCC}$

revised Participating Interest of a Contributing Joint Venturer = $\frac{TPI \times CPC}{TCC}$

Upon the option being exercised by the Contributing Joint Venturer, the Defaulting Joint Venturer will immediately sign and deliver any transfers, assignments, conveyances and assurances in favour of the Contributing Joint Venturer(s), as may be required to give full force and effect to the foregoing and then:

(a) this Agreement will be read as amended wherever necessary to reflect the then

changed Participating Interests of the Joint Venturers; and

- (b) the liability of the Defaulting Joint Venturer for repayment to the Contributing Joint Venturer of the amount of the advance or advances and interest on that advance for which the adjustment of the Participating Interest will have been made will be extinguished to the extent of the adjustment.

5.11 Corporation Shareholdings Adjustment

If any adjustment of Participating Interests occurs, it is agreed that the shareholdings in the Corporation will likewise be adjusted accordingly and each of the Joint Venturers will do and cause to be done all things necessary to effect the adjustment in shareholdings and Participating Interests and the Defaulting Joint Venturer irrevocably appoints the Contributing Joint Venturer its true and lawful attorney to make, sign and deliver the documents and assurances necessary to record the change in shareholders.

ARTICLE 6: MANAGEMENT CONTROL

6.1 Powers of Management

The overall management and control of the Joint Venture, including all decisions on design, construction and sales, will vest in the Manager and its Director, BOB GAIDHAR and any decisions made by BOB GAIDHAR or documents signed by BOB GAIDHAR for and on behalf of the Joint Venture will be binding on and enforceable against the Joint Venture and each of the Joint Venturers. For greater clarity, all decisions regarding construction, sales, budgeting, all construction related work such as dealing with sub-trades, awarding various contracts, choosing products, choosing finishing products, dealing with purchasers, negotiating upgrades and costs with purchasers, leasing, sale and sale price of the individual units, the payment of commission to licensed real estate agents and distribution of capital will be made by BOB GAIDHAR.

6.2 Non Arm's Length Contracts

It is acknowledged and agreed among the parties that the Joint Venture and the Manager, as Manager, may enter into the following contracts:

- (a) agreements for the sale or lease of units, from the Building at prices and at terms approved by the the Manager to third party purchasers or tenants;
- (b) labour contracts for work done on the construction and building of the Project;
and

(c) construction contracts and management agreements with companies controlled by the Manager on terms approved by the Manager; provided that each such contract, undertaking, transaction is on terms and at a cost, price or consideration to the Joint Venture that is no less advantageous to the Joint Venture, taken as a whole, than would be generally obtainable by the Joint Venture from *bona fides* arm's length parties.

6.3 Meeting of Joint Venturers

The Manager may call a meeting of the Joint Venturers at any time, at his discretion. Meetings will be held in the City of Calgary and written notice of the meeting will be given to the Joint Venturers not less than three days before the date of the meeting, provided that all Joint Venturers may waive notice. The Manager may obtain written consents from Joint Venturers without the calling of a meeting. Any notice of meeting sent to the Joint Venturers will identify the items of business to be dealt with at the meeting. The Manager may solicit proxies from the Joint Venturers allowing the Manager to vote on behalf of a Joint Venturer. A meeting of the Joint Venturers will also be held within 3 business days.

ARTICLE 7: THE CORPORATION

7.1 Incorporation of Corporation

The Corporation will hold legal title to the Lands and the Joint Venture Assets in its name and will stand possessed of the Lands and the Joint Venture Assets as bare trustee only and the beneficial interest in the Lands and the Joint Venture Assets will remain in and with the Joint Venturers as their respective undivided interests in the Lands and the Joint Venture Assets may from time to time exist. Each of the Joint Venturers:

- (a) irrevocably appoints and constitutes the Corporation as its trustee to hold its respective undivided interest in the Lands and the Joint Venture Assets in the name of the Corporation for so long as it will be the beneficial owner of undivided interest; and
- (b) authorizes the Corporation to deal with its respective undivided interest in the Lands and the Joint Venture Assets; and
- (c) authorizes the Corporation to enter into an agreement and to do or cause to be done all other acts and things that may from time to time be required of the Corporation to effectuate this Agreement.

Where possible, contracts and engagements pertaining to the Lands and the Joint Venture Assets will be entered into by the Corporation, on its own behalf, and not in the name of the Joint Venturers.

7.2 Shareholdings

The total issued and outstanding shares in THE CORPORATION shall be 400 Class "A" common voting shares to CEANA DEVELOPMENT INC. and 3,600 non-voting Class "C" common Shares to the other Joint Venturers. The Joint Venturer to this agreement shall subscribe for the number of Class "C" Non-Voting Common Shares that is equal to the number of Participating Interests of such Joint Venturer. For certainty, each Joint Venturer shall receive one (1) Class "C" Non-Voting Common Share for each Participating Interest held, except for Ceana Development Inc., which will receive one (1) Class "A" Voting Common share for each Participating Interest held.

All share certificates evidencing shares in the capital stock of the Corporation will have endorsed the following legend:

"The shares evidenced by this Certificate are subject to the terms of the Joint Venture Agreement dated for reference _____ between the Corporation and the Joint Venturer and all transfers, hypothecations, pledges, dispositions and other dealings of any nature or kind whatsoever with the shares evidenced by this Certificate will be made subject only to the terms of that Joint Venture Agreement".

No further shares in the authorized share capital of the Corporation will be issued or allotted except with a decision of the Manager. No issued and outstanding shares in the authorized share capital of the Corporation may be transferred except with a Joint Venturer's Participating Interest and with a decision of the Manager. If a party's Joint Venture Interest changes, it may require that the shareholdings in the Corporation be adjusted and each party agrees to do so as soon as it is notified of a change in the Joint Venture Interest.

7.3 Directors and Officers

The Board of Directors of the Corporation will consist of 1 director, being BOB GAIDHAR, who will be appointed by the Manager. Further, BOB GHADAR shall be appointed as President, Secretary and Treasurer of the Corporation.

ARTICLE 8: ACCOUNTING AND DISTRIBUTIONS

8.1 Books and Records

The books and records of the Joint Venture will be maintained and kept at the offices of the Manager in Calgary, Alberta. At the end of the Project, the following reports will be prepared by or on behalf of the Joint Venture and distributed to each Joint Venturer:

- (a) A report for that Accounting Year containing financial statements for the Joint Venture as at the end of and for that Accounting Year with comparative financial statements as at the end of and for the immediately preceding Accounting Year containing:
 - (i) a balance sheet;

- (ii) a statement of income and expenses;
 - (iii) statement of changes in financial position; and
 - (iv) a report on distributions to the Joint Venturers; and
- (b) information concerning any other matters with respect to the Joint Venture that may be necessary or desirable to enable the Joint Venturers to file tax returns under the Income Tax Act.

8.2 Examination of Accounts

- (a) The Manager and each of the Joint Venturers will have the right at all reasonable times during usual business hours to audit, examine and make extracts from the books of account, records and other documents or papers kept in connection with the Lands, the Project, the Corporation and the Joint Venture. This right may be exercised through any agent or employee of that party designated by it, or by a chartered accountant designated by that party. That party will bear all third party expenses incurred in any examination made for its account.
- (b) The parties acknowledge and agree that the books of account, records and other documents or papers kept in connection with the Lands, the Project, the Corporation are regarded as confidential by the other parties and are proffered to the Joint Venturers as such. All such information disclosed will be received and held in confidence by the Joint Venturers. Each Joint Venturer will restrict disclosure of the information to the minimum number of persons including relevant members of the staff of the Joint Venturer having special knowledge of finance, administration and the like.

8.3 Bank Accounts

The Manager will open a new bank account for the Joint Venture and the Project. Funds paid towards or to be utilized in connection with the Project or paid to or to the account of the Project will be deposited in an account or accounts of a type, in the form and name and in a financial institution approved by the Manager.

8.4 Distribution of Cash

Subject to the terms of this Agreement, the Corporation will collect all deposits, sales proceeds, income, rentals, receipts and revenues derived from the Lands and will deposit the funds with KH/DUNKLEY LAW GROUP of 20, 1915 - 32nd Avenue NE, Calgary, Alberta, T2E 7C8, Attention: Khalil Haji, with the direction to pay, use and apply the revenues collected with respect to the Lands and the Project in the following manner and descending order of priority

- (a) in payment of all proper operating costs and expenses incurred in connection with the Project or the Joint Venture including costs to acquire the Lands, general labour work, VISA payments of invoices associated with the building costs, and a reasonable reserve

for working capital, as determined by the Manager;

- (b) in payment of interest and principal as and when due under any bank credit, Revenues and expenditures of each Joint Venturer as owner of a Joint Venture Interest will be determined according to IFRS applied on a consistent basis from year to year. As a Joint Venturer, each Joint Venturer will separately compute its income from the Project, and will separately claim any deductions, allowances and credits that it is entitled to claim in respect of its Joint Venture Interest in the Project for the purpose of the Income Tax Act. Each Joint Venturer is responsible for the preparation and filing of its own tax return and income tax payments. interim financing or permanent financing of the Project;
- (c) subject to approval of the Manager, by distributions to the Joint Venturers according to their Participating Interests. Payments made to the Joint Venturers will be first allocated to repayment of Contributions.

8.5 Holdbacks

Despite anything to the contrary, the Manager may hold back:

- (a) a sum sufficient (as the Manager may reasonably consider necessary) to enable the Manager to pay any costs and expenses (including deferred costs and prepaid expenses) that may fall due and become payable by the Manager in connection with its operation and management of the Joint Venture before the next receipt of monies;
- (b) \$50,000 for a warranty period of 12 months.
- (c) and the Manager may also, in emergency situations, make disbursements from any cash fund, to pay for any costs and expenses which it reasonably considers should be paid or disbursed under the circumstances.

8.6 Statements

Revenues and expenditures of each Joint Venturer as owner of a Joint Venture Interest will be determined according to IFRS applied on a consistent basis from year to year. As a Joint Venturer, each Joint Venturer will separately compute its income from the Project, and will separately claim any deductions, allowances and credits that it is entitled to claim in respect of its Joint Venture Interest in the Project for the purpose of the Income Tax Act. Each Joint Venturer is responsible for the preparation and filing of its own tax return and income tax payments.

8.7 Accountants, Audit and Auditors

The accountants of the Joint Venture will prepare the financial statements for the Joint Venture, including an income statement and balance sheet, prepared according to IFRS. The financial statements of the Joint Venture will be prepared on an annual basis and will not be audited unless the Manager elects to have them audited. Any auditors in respect of the Joint Venture will be approved by the Manager.

8.8 Solicitors

The solicitors for the Joint Venture and all matters relating to the Lands will be:

KH/DUNKLEY LAW GROUP
20, 1915 – 32nd Avenue NE
Calgary, Alberta T2B 7C8
Phone: 403-207-4662
Fax: 403-206-0672
Attention: Khalil Haji

ARTICLE 9: DEVELOPMENT

9.1 Development

The Manager, as manager, will determine when the development of the Project will proceed including construction, completion of the Project.

9.2 Engagement of Manager

The parties desire to engage the Manager to develop the Project under the terms of this Agreement. The Manager, in its sole and unfettered discretion, may hire and pay for professional manger to complete the Project.

9.3 Building and Development Permit

All fees are to be paid by Corporation

9.4 Sales and Marketing of the Completed Project

The Project will be marketed under the THE CORPORATION name. At the sole and unfettered discretion of the Manager, the Manager may retain the services of a licensed realtor to assist in the sales and marketing of the Project and the individual units that comprise the Project on commercially reasonable terms including the payment of commissions. to consist of the Project.

ARTICLE 10: RESTRICTIONS ON TRANSFER

10.1 Restriction on Transfer

Except as otherwise expressly permitted in this Agreement, a Joint Venturer will not mortgage or encumber or sell, transfer or otherwise dispose of the whole or any part of its Joint Venture Interest to another person, firm or corporation without the prior written consent of the other Joint Venturers, which consent may not be withheld unreasonably. It is agreed that the consent of the other Joint Venturers may be withheld if the Joint Venturer wishing to sell or transfer its Joint Venture Interest has not complied with the requirements of Article 11 or if the transfer would result in the violation of securities legislation.

10.2 Permitted Transfers

A Joint Venturer may sell or transfer all, but not less than all of its Joint Venture Interest to:

- (a) in the case of a corporate Joint Venturer, to any Affiliate of it or to a partnership or limited partnership Controlled by the same shareholder or group of shareholders as Control the transferring corporate Joint Venturer, or
- (b) in the case of an individual Joint Venturer, an immediate family member of or an entity Controlled by an individual Joint Venturer;

if the Joint Venturer and the transferee enter into an agreement with the other Joint Venturers to the effect that the transferee will be bound by and have the benefit of the provisions of this Agreement.

10.3 Transferor Remains Bound

Any sale or transfer by a Joint Venturer pursuant to section 10.2 will not release that Joint Venturer from its obligations under this Agreement.

ARTICLE 11: RIGHTS OF FIRST REFUSAL

11.1 Right of First Refusal

If at any time a Joint Venturer will receive a bona fide offer (the "Third Party Offer") from a third party purchaser, including another Joint Venturer, (the "Third Party") to purchase any or all of its Joint Venture Interest in the Joint Venture that it intends to accept, then that Joint Venturer (the "Offeror") will offer to the other Joint Venturer (the "Offeree") by written notice on the same terms and conditions in the Third Party Offer ("Offer") the right to purchase or otherwise acquire the Offeror's Joint Venture Interest that is the subject of the Third Party Offer (the "Subject Joint Venture

Interest").

11.2 Contents of Offer

The Offer must state that it is under Article 11 of this Agreement and describe:

- (a) an accurate description of the Subject Joint Venture Interest;
- (b) that the Offeree is entitled to purchase the Subject Joint Venture Interest;
- (c) the name and address of the Offeror;
- (d) the price of the Subject Joint Venture Interest expressed in lawful money of Canada that will be the same price described in the Third Party Offer;
- (e) the terms and conditions of the Offer including the date for completion of transfer of the Subject Joint Venture Interest(the "Completion Date");
- (f) that the Offer is open for acceptance for a period of 30 days after the receipt of the Offer by the Offerees; and
- (g) the name and address of the Third Party, the price, terms of payment and other terms and conditions of the Third Party Offer, together with a true copy of the Third Party Offer.

Sale to Third Party

11.3

If the Offeree does not give written notice to the Offeror accepting the Offer within the 30 day period for acceptance, the Offeror may 60 days after the expiry of the period for acceptance, sell, transfer or otherwise dispose of the Subject Joint Venture Interest to the Third Party according to the Third Party Offer.

11.4 Revival of Restriction

If section 11.3 applied and the Offeror does not complete a sale to the Third Party within the prescribed period of 60 days, the provisions of section 11.1 will again become applicable to the sale, transfer or other disposition of the Offeror's Joint Venture Interest.

11.5 Condition of Purchase

Despite the foregoing, no disposition of any Joint Venture Interest permitted by section 11.3 will be made unless the Third Party first agrees to enter into an agreement with the other Joint Venturer and the Corporation under which the Third Party will be bound by and entitled to the benefit of the provisions of this Agreement and in the place of the Offeror.

11.6 Termination of Rights

Any Joint Venturer who disposes of all of its entire Joint Venture Interest after compliance with the provisions of this part will be entitled to the benefit of and be bound by only the rights and obligations that arose under this Agreement before such disposition.

11.7 Resignations

On the closing of any sale under this Article, if the sale is of the whole Joint Venture Interest the Offeror will cause its nominees to resign their positions as directors and officers of the Corporation and as the Manager, if applicable.

ARTICLE 12: BANKRUPTCY OR OTHER INVOLUNTARY TRANSFERS

12.1 Option

If:

- (a) there is a bankruptcy, insolvency, winding-up or liquidation of any Joint Venturer;
- (b) a receiver be appointed in respect of the whole or substantially the whole of the assets of any Joint Venturer;
- (c) there is a transfer, voluntary or involuntary by any Joint Venturer of its Joint Venture Interest or any part of that Joint Venture Interest to any creditor in total or partial satisfaction of any debt, obligation, judgment or other liability;

(where any trustee, liquidator or receiver of such Joint Venturer, or its assets, or any that creditor being referred to as the "Involuntary Transferee" and the bankrupt or insolvent Joint Venturer, or the Joint Venturer whose Joint Venture Interest passes to the Involuntary Transferee being referred to as the "Insolvent Venturer" and the other Joint Venturer being referred to as the "Solvent Venturer"), the remaining Solvent Venturer will have the sole, exclusive and irrevocable option to purchase all but not less than all of the Insolvent Venturer's Joint Venture Interest from the Involuntary Transferee. The option will be exercisable by the Solvent Venturer within the later of:

- (d) 90 days following the vesting or transfer of the Joint Venture Interest of the Involuntary Transferee; or
- (e) 30 days following the determination of the Option Price provided for in section 12.3.

12.2 Exercise of Option

The option will be exercised by the Solvent Venturer(s) within the time limited for acceptance in section 12.1 by written notice to the Involuntary Transferee. The written notice to the Involuntary Transferee and the written notice evidencing the exercise of the option together with this Agreement will be deemed and construed to be a binding agreement of purchase and sale to be completed in the manner provided for in this Article 12. If the option is not exercised by the Solvent Venturers by written notice within the time limited for acceptance in section 12.1, the option will be null and void.

12.3 Option Price

The price of the Insolvent Venturer's Joint Venture Interest will be the fair market value of the Insolvent Venturer's Joint Venture Interest as of the date of the vesting or transfer to the Involuntary Transferee net of liability and net of any real estate or other sales commissions that would otherwise be payable (the "Option Price"). Fair market value will be determined by independent appraisal by an appraiser having been ordinarily engaged in the business of commercial real estate appraisal in Calgary for a period of at least 10 years, which appraisal will be final and binding upon the parties. If the parties cannot agree on the appointment of an independent appraiser, the appointment will be determined by arbitration under the provisions of the *Arbitration Act* (Alberta). The Option Price will be increased or reduced as the case may be, by the sum that the Insolvent Venturer would have received or have been obligated to pay if termination of the operations of the Joint Venture were effective as of the Involuntary Closing Date.

12.4 Transfer

If the Solvent Venturer exercises the option as required, the conveyance of the Insolvent Venturer Joint Venture Interest to it by the Involuntary Transferee will take place on the last day of the second month following the month in which the Solvent Venturer(s) will exercise the option ("Involuntary Closing Date"). If that day is a Saturday, Sunday or statutory holiday in Alberta, then the next following first business day will be the Involuntary Closing Date.

12.5 Payment of Option Price

The Option Price payable by the Solvent Venturer will be paid or satisfied as follows:

- (a) an amount equal to 10% of the Option Price will be paid by the Solvent Venturer to the Involuntary Transferee as a deposit by certified cheque and will accompany the Solvent Venturer(s) written notice electing to exercise the option;
- (b) a further amount equal to 10% of the Option Price will be paid by Solvent Venturer to the Involuntary Transferee by certified cheque on the Involuntary Closing Date;
- (c) the balance of the Option Price (being 80% of the Option Price) to the Involuntary Transferee in 4 equal annual instalments due and payable respectively on the first, second, third and fourth anniversaries of the Involuntary Closing Date together with

interest on the outstanding balance of the Option Price calculated and paid annually at the rate equal to Prime Rate per annum. Interest payments will be made concurrently with the annual instalments of the Option Price. The parties agree that in addition to the Option Price, the Solvent Venturer will also assume in consideration of the conveyance to it or them of the Insolvent Venturer's Joint Venture Interest, the Insolvent Venturer's proportionate share of the principal balance outstanding under any mortgage or other balance outstanding under to any mortgage or other charge against the Lands at the Involuntary Closing Date.

ARTICLE 13: ADDITIONAL PROVISIONS RESPECTING SALES

13.1 Power of Attorney

If any Joint Venturer has properly exercised its rights to acquire a Joint Venture Interest as provided for in this Agreement (the "Purchaser") and is not in default and on the Closing Date or Involuntary Closing Date, the Joint Venturer who is selling its Joint Venture Interest (the "Vendor") refuses to complete the transaction, the Purchaser upon that default (without prejudice to any other right which it may have) upon payment of it by the purchase price under the Proposed Sale Notice, Offer, or of the Option Price, as the case may be, required to be paid to the credit of the Vendor in the bank of the Joint Venture or with the solicitors of the Purchaser, will have the right to complete the transaction for, and on behalf of and in the name of the Vendor, and the Vendor irrevocably appoints the Purchaser the true and lawful attorney of the Vendor to complete the transaction and sign any and all documents necessary in that behalf.

13.2 Tender

Despite any other provision of this Agreement, any tender of documents or funds by a Vendor or Purchaser, as defined in this Article 13 will be sufficiently made upon the Vendor or Purchaser if made upon its solicitors.

13.3 Novation

Despite any other provisions of this Agreement, it is agreed that a Joint Venturer will not sell, dispose of or alienate its Joint Venture Interest to any person who is not already a party to this Agreement or bound by this Agreement, unless that person will sign and deliver an appropriate instrument in writing in favour of the other Joint Venturer whereby that person will agree to observe and be bound by all the provisions of this Agreement as if that person had been a party to it and as if that person had been named as a Joint Venturer in this Agreement.

13.4 Discharge of Indebtedness

If the Vendor is indebted to the Joint Venture on the Closing Date, the closing date contemplated by the Offer, or Involuntary Closing Date, as applicable, in an amount recorded in the books of the Joint Venture and that is subsequently verified by

the auditors of the Joint Venture, the Purchaser will have the right to pay, satisfy and discharge all or any portion of that indebtedness out of the cash portion of the price under to the Proposed Sale Notice, the Offer or of the Option Price, as applicable

13.5 Entire Participating Interest

Subject to the provisions of Articles 5 and 11, no Joint Venture Interest will be sold, disposed of or alienated unless it represents the entire Joint Venture Interest of the Joint Venturer wishing to sell, dispose of or alienate the same unless it is specifically contemplated in this Agreement.

13.6 Discharge of Securities

If, at the time of any sale effected under the provisions of this Agreement, the Vendor will have any guarantees, securities or covenants lodged with third parties to secure the indebtedness, liability or obligations of the Joint Venture, then the Purchaser will use its reasonable best efforts to deliver up, or cause to be delivered up to the Vendor upon the sale Closing Date, the closing date contemplated by the Offer, or Involuntary Closing Date a cancellation of those guarantees or covenants and a re-transfer to the Vendor of the securities. If despite its reasonable efforts, the release of the guarantee, security or covenant is not obtained, then the Purchaser will indemnify and save harmless the Vendor from any and all liability under the terms of those guarantees, securities or covenants.

13.7 Corporation Shareholdings Upon Completion of Transaction

Upon the completion of the transactions under Articles 11, 12 and 13, it is understood and agreed that the shareholdings in the Corporation will be transferred accordingly and each of the Joint Venturers will do and cause to be done all things necessary or desirable to effect the transfer in shareholders of the Corporation and any officer of the Corporation may, as the true and lawful attorney appointed make, sign and deliver any documents and assurances necessary to record the change in shareholdings.

13.8 No Redemption

Nothing contained in this Agreement will be read or construed as a foreclosure giving rise to any equity of redemption, the same being specifically negated.

ARTICLE 14: DISPUTE RESOLUTION

14.1 Representatives for Disputes

Each Joint Venturer will each name a representative (the "Representative") who may be replaced at any time, to whom any disputes between the parties will be initially submitted.

14.2 Manner of Dispute Resolution

If there is a dispute regarding any matters under this Agreement that requires a decision of the Joint Venturers, then except as otherwise expressly provided, the parties irrevocably undertake to adopt the following procedures rather than seek recourse to the courts:

- (a) the Representatives will in first instance use their best efforts to seek to resolve the dispute;
- (b) if the Representatives cannot resolve the dispute, the dispute will be submitted to the chief executive officers or their designates of each Joint Venturer who will jointly use their best efforts to resolve the dispute;
- (c) only when this path has been exhausted may either Joint Venturer resort to binding arbitration. If the parties must resort to binding arbitration, the parties will either agree to a single arbitrator or each name an arbitrator within 10 working days of a notice by any party requesting that action. The arbitrator(s) will proceed with all due dispatch, hear the dispute and follow procedures in accordance with the *Arbitration Act* (Alberta).

Despite anything else in this Agreement, nothing will interfere with or prevent the exercise by a Joint Venturer of its rights under Articles 11, 12 and 13.

ARTICLE 15: COVENANTS OF THE PARTIES

15.1 Covenants

Each of the Joint Venturers covenant and agree that it will:

- (a) not do any act or thing or fail or omit to do any act or thing that it may be obligated to do that could cause a breach of or a default in respect of any permit, licence, claim, lease or other right associated with the Project;
- (b) not surrender any permit, licence, claim, lease or other right without the consent of the other Joint Venturer and will maintain in good standing all permits, licenses, claims and leases (including all necessary renewals) that are associated with the Lands or used in connection with the Lands;
- (c) do or cause to be done such acts as may be reasonably necessary or to ensure that its obligations under this Agreement may be fulfilled; and
- (d) pay all taxes, royalties, rates, assessments, governmental charges, penalties, interest and fines in respect of its Joint Venture Interest.

ARTICLE 16: WARRANTIES AND REPRESENTATIONS

16.1 Warranties and Representations

Each Joint Venturer represents and warrants to the other that:

- (a) if it is a body corporate, it is duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction and is qualified to carry on business in the jurisdiction where it is carrying on business;
- (b) it has full power and authority to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the signing and delivery of this Agreement nor any of the agreements referred to in this Agreement or contemplated by this Agreement, nor the consummation of the transactions contemplated by this Agreement will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the signing and delivery of this Agreement and the agreements contemplated by this Agreement will not violate or result in the breach of the laws of any jurisdiction applicable or of its constating documents; and
- (e) Each Joint Venturer has available to it sufficient credit to participate in contributions or borrowings as required to carry on the business of the Joint Venture; and
- (f) it is a resident of Canada within the meaning of the *Income Tax Act*.

ARTICLE 17: NOTICES

17.1 Addresses

Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by the delivery of the same or by transmitting it by telecopier or email transmission, in each case as follows:

- (a) To the Manager
Attention: Bob Gaidhar
101, 3115-12 St. N E.
Calgary, Alberta
T2E 7J2
e-mail: bg@ceana.ca
- (b) To the Corporation
Attention: Bob Gaidhar
101, 3115-12 St N E.

Calgary, Alberta
T2E 7J2
e-mail: bg@ceana.ca

(c) To the Joint Venturer

MASSEVA RPHNEMA
1115 Edmoutr. NE Calgary
AB Cals T2E 3K3.

17.2 Deemed Receipt

Any notice, direction or other instrument will be deemed to have been given on the day it is delivered, if delivered, or on the business day following its legible transmission if telecopied or sent by email.

17.3 Change of Address

Any party may at any time give to any other party notice in writing of any change of address or telecopier number of the party giving notice and from and after the giving of notice the address or telecopier number specified will be deemed to be the address or telecopier number of that party for the purposes of giving notice under tis Agreement.

ARTICLE 18: GENERAL

18.1 Further Assurances

The Parties will sign such further documents and do or cause to be done all acts or things necessary to implement and carry into effect the provisions and intent of this Agreement.

18.2 Waiver

No consent or waiver, express or implied, by either Joint Venturer to or of any breach or default by the other Joint Venturer in the performance by the other of its obligations under this Agreement will be deemed or construed to be consent or waiver to or of any other breach of default in the performance by that other party of the same or of any other obligations of such Joint Venture. Failure on the part of any Joint Venturer to complain of any act or failure to act on the other Joint Venturer or to declare the other Joint Venturer in default irrespective of how long such failure continues, will not constitute a waiver by such Joint Venturer of its rights under this Agreement.

18.3 Severability

If any provision of this Agreement or its application to any person or circumstances will be invalid or unenforceable to any extent, the remainder of this Agreement and the application of those provisions to other persons or circumstances will not be affected and will be enforced to the greatest extent permitted by law.

18.4 Time of Essence

Time will be of the essence of this Agreement.

18.5 Governing Law

This Agreement will be governed by the laws of Alberta.

18.6 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the parties to this Agreement, their respective successors and permitted assigns.

18.7 Entire Agreement

This Agreement will constitute the entire agreement of the parties with respect to the Joint Venture and will not be changed, modified or discharged except by written agreement.

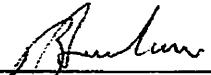
[Remainder of page intentionally left blank. Signature page to follow.]

18.8 Counterparts


This Agreement may be signed in counterparts, each signed counterpart will be deemed to be an original and all counterparts when read together will constitute one and the same instrument.

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

CEANA DEVELOPMENT SUNRIDGE INC.

Per: 
Name: BOB GHAI DAR
Title: DIRECTOR

Corporation Name: 1989207 Alberta Inc


Per: 
Name: MASSOUD RAHNEMA
Title:


SCHEDULE B

SUBSCRIPTION FOR SHARES IN A CORPORATION

SHARE SUBSCRIPTION

"TO: CEANA DEVELOPMENT SUNRIDGE INC. (joint venture corporation).

 1989207 Alberta Inc.
I, MASOOD RAHMAN, hereby make application to purchase from Treasury
Three hundred (300) Class "C" Common Non-Voting Shares in CEANA
DEVELOPMENT SUNRIDGE INC. for a price concurrent with my acquisition of a joint
venture interest of 300 share for the amount of \$ 300,000.00, pursuant to a
Joint Venture Agreement "

Dated this 23 day of August, 2016 



JOINT VENTURE AGREEMENT

Dated effective the 23 day of August, 2016.

Between:

Name: MASSOUD RAHNEMA

Address: 1115 Edmonton Trail NE. Calgary

Hereinafter called
"the Joint Venturer"

- and -

CEANA DEVELOPMENT SUNRIDGE INC.
(a joint venture corporation)
101, 3115-12 ST N E. Calgary, Alberta T2E 7J2
Hereinafter called "THE CORPORATION"

Recitals

WHEREAS THE CORPORATION is or is about to become the registered owner of Lands;

AND WHEREAS the Joint Venturer wishes, along with other Joint Venturers, to acquire a participating interest in the Joint Venture Assets.

AND WHEREAS each party wishes to hold its respective Participating Interest according to the terms of this Agreement, and wish THE CORPORATION to hold title to the Joint Venture Assets in trust for the Joint Venturers.

NOW THEREFORE the parties have agreed to enter into this Agreement to record their respective rights and obligations in connection with their respective Participating Interest in the Joint Venture Assets. Accordingly, the parties agree as follows:

ARTICLE 1: INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words or expressions will have the following meanings:

- (a) "ABCA" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9 including the regulations enacted under that Act, and any amendments thereto;

- (b) "Accounting Year" in respect of the Joint Venture means the calendar year;
- (c) "Additional Contribution(s)" means the aggregate amounts paid by a Joint Venturer to or on behalf of the Joint Venture under section 5.2 that have not been repaid to that Joint Venturer;
- (d) "Affiliate" means, with respect to a Joint Venturer, a corporation that is affiliated with that Joint Venturer according to the provisions of the ABCA;
- (e) "Arm's Length" will have the meaning ascribed to that term in Section 251 of the *Income Tax Act* at the date of this Agreement;
- (f) "Contribution(s)" in respect of a Joint Venturer means the aggregate of the Initial Contribution and the Additional Contribution, if any, of a Joint Venturer;
- (g) "Control" or "Controls" or "Controlled" means:
 - (i) the right to exercise a majority of the votes that may be cast at a general meeting of a corporation or a partnership; and
 - (ii) in the case of a corporation, the right to elect or appoint directly or indirectly a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation;
- (h) "Distributable Cash" means cash generated by the Joint Venture from all sources and available for distribution to the Joint Venturers and that is determined by the Manager not to be required for use in connection with the proper management of the business of the Joint Venture;
- (i) "IFRS" means the International Financial Accounting Standards applicable to the business of the Joint Venture, as those principles-based standards, interpretations and the framework are established and revised by the International Accounting Standards Board (IASB), or any successor organization from time to time applied on a consistent basis;
- (j) "Income Tax Act" means the *Income Tax Act* of Canada, and any amendments thereto;
- (j) "Initial Contribution(s)" means the amount paid by a Joint Venturer to or on behalf of the Joint Venture under section 5.1 and that have not been repaid to that Joint Venturer;
- (k) "Joint Venture" means the association between the Joint Venturers for the development of the Lands and the Project as contemplated in this Agreement;
- (l) "Joint Venturer" means each party (and each of their permitted successors and assigns) subscribing to this agreement or counterpart agreement and "Joint Venturers" means, collectively all parties (and each of their permitted successors and assigns) subscribing to concurrent agreements identical to this agreement except for name of Joint Venturer and level of participation;

HIS IS EXHIBIT E

referred to in the Affidavit
of Marsaid Rahnama
Sworn before me this 21st day
of December A.D., 2020

JOINT VENTURE AGREEMENT

Dated effective the 1 day of Sept, 2016

Between:

Name:

1989207 Alberta Inc.

TCHUPA CHIBAMBO
Barrister, Solicitor & Notary Public

Address:

1528 18 ave NW, Calgary T2M 0W8

Hereinafter called
"the Joint Venturer"

- and -

CEANA DEVELOPMENT SUNRIDGE INC.

(a joint venture corporation)

101, 3115-12 ST N.E. Calgary, Alberta T2E 7J2

Hereinafter called "THE CORPORATION"

Recitals

WHEREAS THE CORPORATION is or is about to become the registered owner of Lands;

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 - (i) the right to exercise a majority of the votes that may be cast at a general meeting of a corporation or a partnership; and
 - (ii) in the case of a corporation, the right to elect or appoint directly or indirectly a majority of the directors of a corporation or other persons who have the right to manage or supervise the management of the affairs and business of the corporation;
- (h) "Distributable Cash" means cash generated by the Joint Venture from all sources and available for distribution to the Joint Venturers and that is determined by the Manager not to be required for use in connection with the proper management of the business of the Joint Venture;
- (i) "IFRS" means the International Financial Accounting Standards applicable to the business of the Joint Venture, as those principles-based standards, interpretations and the framework are established and revised by the International Accounting Standards Board (IASB), or any successor organization from time to time applied on a consistent basis;
- (j) "Income Tax Act" means the *Income Tax Act* of Canada, and any amendments thereto;
- (j) "Initial Contribution(s)" means the amount paid by a Joint Venturer to or on behalf of the Joint Venture under section 5.1 and that have not been repaid to that Joint Venturer;
- (k) "Joint Venture" means the association between the Joint Venturers for the development of the Lands and the Project as contemplated in this Agreement;
- (l) "Joint Venturer" means each party (and each of their permitted successors and assigns) subscribing to this agreement or counterpart agreement and "Joint Venturers" means, collectively all parties (and each of their permitted successors and assigns) subscribing to concurrent agreements identical to this agreement except for name of Joint Venturer and level of participation;

- (m) **"Joint Venture Assets"** means the Project and all rights, privileges and obligations appurtenant to the Project and includes all of the Lands, all money, bank accounts, personal property and property of every manner and description acquired in connection with the Project and includes all profits of the Project;
- (n) **"Joint Venture Interest"** in respect of any Joint Venturer, means the undivided Participating Interest of that Joint Venturer in the Joint Venture Assets together with the Contribution of that Joint Venturer;
- (o) **"Corporation"** means CEANA DEVELOPMENT SUNRIDGE INC., a body corporate incorporated to hold legal title to the property acquired on behalf of the Joint Venture;
- (p) **"Lands"** means the lands with the municipal address of 2255 32nd ST N E in the City of Calgary in the Province of Alberta and legally described as Plan 9811891, Lot 1, Blk 8
- (q) **"Manager"** means CEANA DEVELOPMENT INC. by its agent, BOB GAIDHAR.
- (r) **"Participating Interest"** means, in respect of any Joint Venturer, the proportionate ownership held by that Joint Venturer as initially described in section 4.2 and as may be changed from time to time in accordance with this Agreement;
- (s) **"Participating Interests"** means more than one Participating Interest;
- (t) **"Prime Rate"** in any month during the Term, means the variable nominal rate of interest per annum of the Royal Bank of Canada for Canadian commercial loans in Canada as declared by that bank and designated by it as its Prime Rate and in effect at noon on its first business day in that month;
- (u) **"Project"** means the Lands, all plans, studies, reports, approvals and permits related, all improvements on the Lands and all expenditures made relating to this Agreement in connection with the Agreement in particular relating to the construction of a day care building located at 2255 32 ST N E. Calgary.
- (v) **"Term"** means the term of the Joint Venture as provided for in section 2.2;

1.2 Headings

Headings used in this Agreement are solely for the convenience of the parties and are not to be used as an aid in the interpretation of this Agreement.

1.3 Gender

All words in this Agreement in the male or neuter gender will be deemed to include the female gender, corporations and partnerships, and a singular number will include the plural number whenever the context requires.

1.4 Schedules

The following schedules attached to this Agreement will for all purposes be deemed to be a part of this Agreement:

Schedule "A" – Form of Subscription for Shares in Corporation

ARTICLE 2: PURPOSE AND TERM

2.1 Purpose

The Joint Venturers will and by this Agreement define how they intend to acquire, develop and sell their respective Participating Interests in the Project including:

- (a) developing the Project according to the plans approved by the Management Committee or the Manager;
- (b) selling the Lands; and
- (c) engaging in such other activity as may be considered by the parties to be necessary or desirable.

Term

The Term of this Joint Venture will begin as and from the date of signing of this Agreement and will continue in force until:

- (a) all of the Lands and Project have been sold;
- (b) all liabilities and obligations of the Joint Venture have been discharged; and
- (c) all revenues have been distributed to the Joint Venturers under the terms of this Agreement.

ARTICLE 3: SCOPE OF THE JOINT VENTURE AND JOINT VENTURERS' AUTHORITY

3.1 No Partnership

This Agreement will not be construed as creating a partnership or any other relationship

between the Joint Venturers other than the relationship of joint venturers with respect to the Project or between any of the Joint Venturers and the Corporation.

3.2 Rights Several

All rights, duties, obligations and liabilities of the Joint Venturers under this Agreement will be separate, individual and several and not joint or joint and several.

3.3 Limit on Other Business

Each of the Joint Venturers will devote the time required to fulfill any obligation assumed by it under this Agreement, but each of the Joint Venturers will be at liberty to engage in any other business or activity outside the Joint Venture, including any activity or business that may compete with that of the Joint Venture.

3.4 Limit on Authority to Act

The parties appoint CBANA DEVELOPMENT INC. as the Manager of the Project with all the powers, rights and obligation as further described in Article 6. Except as otherwise expressly and specifically provided in this Agreement, no Joint Venturer will have any authority to act for, or assume any obligation or responsibility on behalf of the other Joint Venturers or the Joint Venture and each of the Joint Venturers will indemnify and save harmless the other Joint Venturers from any and all liability, obligation, claim or loss resulting from any unauthorized act of such Joint Venturer with respect to the Project or the Joint Venture.

3.5 No Partition

Except as otherwise provided in this Agreement or in any agreement contemplated by this Agreement, no Joint Venturer will register against title to the Lands any document, instrument or notice of its interest in the Lands or any part of the Lands nor apply for any partition or sale of the Lands.

3.6 Participating Interests

Unless this Agreement provides otherwise, all benefits, advantages and liabilities derived from, or incurred in respect of the Joint Venture will be borne by the Joint Venturers in proportion to their respective Participating Interests.

3.7 No Fiduciary Obligations

The Joint Venturers will have no fiduciary obligations to each other in their capacity as joint venturers. The Joint Ventures must inform each other of any bankruptcy or litigation issues.

3.8 Profit

While the Joint Venturers are in this business to make money, each agrees with the other that there is no guarantee that a profit will be made from the efforts of all parties. The profits will be allocated as follows:

CEANA DEVELOPMENT INC. will receive 5% of the profits

Each Joint Venturer will receive their pro-rated portion of 95% of the profits

3.9 Taxes

Each of the Joint Venturers will be responsible for their own taxes.

ARTICLE 4: JOINT VENTURE INTERESTS

4.1 Interests

Each Joint Venturer will have an undivided beneficial co-ownership interest in the Joint Venture Assets according to its Participating Interest.

4.2 Ownership

Each of the Joint Venturers will own as an undivided beneficial interest in the Joint Venture Assets according to its Participating Interest. Beneficial ownership of the Project will be held by the Joint Venturers (and for certainty, Ceana Development Inc. is a Joint Venturer hereunder in addition to being the Manager, and such roles are separate and distinct) in the following proportions:

CEANA DEVELOPMENT INC.'s Participating Interest	400
All other Joint Venturers' collective Participating Interest	3,600
TOTAL Participating Interests of all Joint Venturers:	4,000

and all benefits, advantages, losses and liabilities derived or incurred regarding the Project will be borne by the Joint Venturers in proportion to their Participating Interest. For certainty, Ceana Development Inc. will receive 5% of the profits as a management fee for completion of its duties as the Manager hereunder and the Joint Venturers (including Ceana Development Inc.) will receive 95% of the profits, to be divided proportionately according to the Participating Interests of each Joint Venturer.

4.3 Title of the Corporation

The Corporation will hold title to all of the Joint Venture Assets acquired or transferred to it as bare trustee for and on behalf of the Joint Venturers.

4.4 Further Instruments

From time to time, the Corporation will sign and deliver all declarations and other instruments and documents and do or cause to be done all other acts and things that may be necessary to give effect to the provisions and intentions of this Agreement.

ARTICLE 5: CONTRIBUTIONS

5.1 Initial Contributions

The total Initial Contribution to be raised by the Joint Venture is \$4,000,000.00. There will be a total of 4,000 Participating Interests. Thus, each Participating Interest shall require an Initial Contribution of \$1,000.00.

The Joint Venturer in this agreement will make the following Initial Contributions to be used for the acquisition of the Lands, related costs and working capital, with the other Joint Venturers. Each Joint Venturer will be a party to a Joint Venture agreement identical to this agreement, except for level of participation:

PARTY	NUMBER OF PARTICIPATING INTERSTS	TOTAL INITIAL CONTRIBUTION
CEANA DEVELOPMENT INC.	400 / 4,000	\$400,000.00
Joint Venturer hereunder	\$100 / 4,000	\$100,000.00

The Joint Venturer shall pay the Initial Contribution to CEANA DEVELOPMENT SUNRIDGE INC.

The Initial Contributions will be advanced on an interest-free basis. It is acknowledged and agreed that the Initial Contributions will be advanced to the Joint Venture for an extended period and will only be repaid when the business activities of the Joint Venture warrant the return of the Initial Contributions.

The Manager will build and manage the project on behalf of the Corporation.

The leasing and sales will be marketed under CEANA DEVELOPMENT's Banner.

The Manager can hire in house staff to do certain jobs in connection with the Projects, as long as the Joint Venture is billed at fair market value for such services.

5.2 Additional Contributions and Payment of Invoices

On a monthly basis The Manager will submit invoices. Failure by the Corporation to

pay invoices can result in a delay of the Project. (these invoices and payments are to remain confidential and cannot be shared with any outside party except the support staff of the directors)

The Manager can pay for products and services using a credit card. This will be reimbursed on a monthly basis.

5.3 Warranty

The Manager ("the Corporation") will provide a warranty to THE CORPORATION as follows:

5.4 Return of Contributions

It is agreed that no Joint Venturer will demand or require the return of any capital advanced to the Joint Venture as the Initial Contribution. It is intended and agreed upon that capital paid as Additional Contributions by Ceaná will be returned in priority to capital paid as Initial Contribution by Joint Venturers. The decision to return the capital advanced by the Joint Venturers will require the approval of the Manager.

Once all monies have been received from sales then the financial institution will be paid first, the Initial Contributions will be paid second on a pro-rata basis. Profits, if any, for all parties will then be paid on a pro-rata basis.

5.5 Development Financing

- (a) THE CORPORATION will obtain an interim line of credit in the amount of \$1,000,000 to be used for the initial development work relating to the Project including obtaining of the development permit. This interim line of credit will be paid out of the construction draws.
- (b) THE CORPORATION will actively pursue and work towards obtaining satisfactory bank credit and servicing financing for the development of the Lands, it being the intention of the parties that financing be sought in the amount of \$8,000,000 or in the highest amounts obtainable so that the equity investment required by each Joint Venturer will be kept to the minimum amount possible.

Each of the Joint Venturers acknowledge that in satisfaction of these objectives, the Joint Venture will obtain the development financing that will be secured by a mortgage and charge over the property, assets and undertaking of the Joint Venture including the Lands (the Lender Security). If necessary or required, Shotgun financing may be needed.

Each of the Joint Venturers agree that any interests they have in the Joint Venture Assets, and any liens arising out of this Agreement, will for all purposes be postponed and ranked subordinate to the Lender Security and all amounts secured under the Lender Security at any time and from time to time, regardless of the date of registration of any charges.

- (c) The Joint Ventures acknowledge that the Lender Security shall include a borrower beneficiary authorization and charge agreement (or similar type document) pursuant to which the Joint Venturers (as beneficial owners of the Joint Venture Assets) authorize the Corporation to mortgage, charge and grant a security interest in the Joint Venture Assets to the applicable lender, and similarly mortgage, charge and grant a security interest of its beneficial interest in the Joint Venture Assets to such lender. In furtherance of the foregoing, the Joint Venturer hereby irrevocably nominates, constitutes and appoints the Corporation, with full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead to:
- (i) execute, acknowledge and deliver the Lender Security to such lender including the borrower beneficiary authorization and charge agreement;
 - (ii) execute any other agreements requested in connection with the Lender Security; and
 - (iii) execute any other agreement that is required by such lender in furtherance of the development and construction financing on the Lands in relation to the Project.

The power of attorney granted herein is coupled with an interest and is irrevocable and will survive the disability or legal incapacity of a Joint Venturer or the assignment by a Joint Venturer of the whole or any part of its interest in the Joint Venture Assets and extends to and is binding upon the heirs, executors, administrators and other legal representative and successors and assigns of such Joint Venturer and, if such Joint Venturer is a natural person, will survive the death or disability of such Joint Venturer until notice of such death or disability is given to the Corporation and may be exercised by the Corporation on behalf of each Joint Venturer in executing any agreement, instrument, deed or other document by listing all the Joint Venturers thereon and executing such agreement, instrument, deed or other document with a single signature as attorney and agent for all of them or by executing such agreement, instrument, deed or other document on behalf of the Joint Venturer. Each Joint Venturer agrees to be bound by any representation or action made or taken by the Corporation pursuant to the power of attorney granted herein and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Corporation taken in good faith under such power of attorney.

5.6 Capital Requirements

Once development activities in relation to the Lands commence, the Manager will be required to provide to the Joint Venture budget estimates of the capital requirements as appropriate.

Default of Joint Venturer

- (a) If a Joint Venturer fails to advance to the Joint Venture its share of the Additional Contribution or the Initial Contribution (the "**Capital Requirement**") within the time periods specified (the "**Defaulting Joint Venturer**"), the remaining Joint Venturer (the "**Contributing Joint Venturer**") may advance the Defaulting Joint Venturer's share of the Capital Requirement to the Joint Venture.
- (b) If the Contributing Joint Venturer advances funds to the Joint Venture on behalf of the Defaulting Joint Venturer, that advance will be deemed to be a demand loan made by the Contributing Joint Venturer to the Defaulting Joint Venturer, that the Contributing Joint Venturer has been irrevocably directed to advance to the Joint Venture for and on behalf of the Defaulting Joint Venturer. The loan will bear interest as between the Contributing Joint Venturer and the Defaulting Joint Venturer at the Prime Rate plus 10% per annum.

5.8 Lien

All loans deemed to arise between the Contributing Joint Venturer and the Defaulting Joint Venturer under this Agreement will be and are secured by a first and paramount lien and charge upon the Participating Interest of the Defaulting Joint Venturer in the Joint Venture. In addition to any other rights it may have under this Agreement, the Contributing Joint Venturer will be entitled to all of the rights of a lienholder or encumbrancer in connection with the loan. The Defaulting Joint Venturer irrevocably appoints the Contributing Joint Venturer as its true and lawful attorney to make, sign and deliver any documents and assurances that may be necessary or advisable to give effect to the foregoing. Despite the foregoing, the Contributing Joint Venturer will not be entitled to register a charge or any other encumbrance against the Lands.

5.9 Right Upon Default

Until the Contributing Joint Venturer is repaid the loan in full, any distribution of cash or capital or otherwise will be made subject to the following provisions:

- (a) the Defaulting Joint Venturer will not be entitled repayment until the Contributing Joint Venturer will have been repaid in full; and
- (b) all sums otherwise payable to the Defaulting Joint Venturer will be paid to the Contributing Joint Venturer until the debt and interest owed by the Defaulting Joint Venturer to the Contributing Joint Venturer will have been repaid in full.

5.10 Adjustment of Interests

A Contributing Joint Venturer will have the option at any time after payment by the Contributing Joint Venturer of a contribution on behalf of a Defaulting Joint Venturer remains outstanding for more than 60 days (exercisable by notice in writing to the Defaulting Joint Venturer given at any time after such 60 day period and before payment is made in full by the Defaulting Joint Venturer) to cause the Participating Interest of the Defaulting Joint Venturer to be decreased and the Participating Interest of the Contributing Joint Venturer to be increased to the percentage obtained through the application of the following formula:

TPI = the aggregate sum of the Participating Interests (in fraction or percentage form) of the Contributing Joint Venturer and the Defaulting Joint Venturer immediately before the adjustment contemplated by this Agreement.

DPC = the aggregate of all Contributions made to the Joint Venture by the Defaulting Joint Venturer to the date of the adjustment contemplated by this Agreement excluding only contributions made on behalf of Defaulting Joint Venturers.

CPC = the aggregate of all Contributions made to the Joint Venture by the Contributing Joint Venturer to the date of the adjustment contemplated by this Agreement plus the amount of any advance or advances made by the Contributing Joint Venturer to the Joint Venture on behalf of the Defaulting Joint Venturer to the date of the adjustment contemplated by this Agreement.

TCC = the aggregate of DPC and CPC

revised Participating Interest of a Defaulting Joint Venturer = $\frac{TPI \times DPC}{TCC}$

revised Participating Interest of a Contributing Joint Venturer = $\frac{TPI \times CPC}{TCC}$

Upon the option being exercised by the Contributing Joint Venturer, the Defaulting Joint Venturer will immediately sign and deliver any transfers, assignments, conveyances and assurances in favour of the Contributing Joint Venturer(s), as may be required to give full force and effect to the foregoing and then:

(a) this Agreement will be read as amended wherever necessary to reflect the then

changed Participating Interests of the Joint Venturers; and

- (b) the liability of the Defaulting Joint Venturer for repayment to the Contributing Joint Venturer of the amount of the advance or advances and interest on that advance for which the adjustment of the Participating Interest will have been made will be extinguished to the extent of the adjustment.

5.11 Corporation Shareholdings Adjustment

If any adjustment of Participating Interests occurs, it is agreed that the shareholdings in the Corporation will likewise be adjusted accordingly and each of the Joint Venturers will do and cause to be done all things necessary to effect the adjustment in shareholdings and Participating Interests and the Defaulting Joint Venturer irrevocably appoints the Contributing Joint Venturer its true and lawful attorney to make, sign and deliver the documents and assurances necessary to record the change in shareholders.

ARTICLE 6: MANAGEMENT CONTROL

6.1 Powers of Management

The overall management and control of the Joint Venture, including all decisions on design, construction and sales, will vest in the Manager and its Director, BOB GAIDHAR and any decisions made by BOB GAIDHAR or documents signed by BOB GAIDHAR for and on behalf of the Joint Venture will be binding on and enforceable against the Joint Venture and each of the Joint Venturers. For greater clarity, all decisions regarding construction, sales, budgeting, all construction related work such as dealing with sub-trades, awarding various contracts, choosing products, choosing finishing products, dealing with purchasers, negotiating upgrades and costs with purchasers, leasing, sale and sale price of the individual units, the payment of commission to licensed real estate agents and distribution of capital will be made by BOB GAIDHAR.

6.2 Non Arm's Length Contracts

It is acknowledged and agreed among the parties that the Joint Venture and the Manager, as Manager, may enter into the following contracts:

- (a) agreements for the sale or lease of units, from the Building at prices and at terms approved by the the Manager to third party purchasers or tenants;
- (b) labour contracts for work done on the construction and building of the Project;
and

(c) construction contracts and management agreements with companies controlled by the Manager on terms approved by the Manager; provided that each such contract, undertaking, transaction is on terms and at a cost, price or consideration to the Joint Venture that is no less advantageous to the Joint Venture, taken as a whole, than would be generally obtainable by the Joint Venture from *bona fides* arm's length parties.

6.3 Meeting of Joint Venturers

The Manager may call a meeting of the Joint Venturers at any time, at his discretion. Meetings will be held in the City of Calgary and written notice of the meeting will be given to the Joint Venturers not less than three days before the date of the meeting, provided that all Joint Venturers may waive notice. The Manager may obtain written consents from Joint Venturers without the calling of a meeting. Any notice of meeting sent to the Joint Venturers will identify the items of business to be dealt with at the meeting. The Manager may solicit proxies from the Joint Venturers allowing the Manager to vote on behalf of a Joint Venturer. A meeting of the Joint Venturers will also be held within 3 business days.

ARTICLE 7: THE CORPORATION

7.1 Incorporation of Corporation

The Corporation will hold legal title to the Lands and the Joint Venture Assets in its name and will stand possessed of the Lands and the Joint Venture Assets as bare trustee only and the beneficial interest in the Lands and the Joint Venture Assets will remain in and with the Joint Venturers as their respective undivided interests in the Lands and the Joint Venture Assets may from time to time exist. Each of the Joint Venturers:

- (a) irrevocably appoints and constitutes the Corporation as its trustee to hold its respective undivided interest in the Lands and the Joint Venture Assets in the name of the Corporation for so long as it will be the beneficial owner of undivided interest; and
- (b) authorizes the Corporation to deal with its respective undivided interest in the Lands and the Joint Venture Assets; and
- (c) authorizes the Corporation to enter into an agreement and to do or cause to be done all other acts and things that may from time to time be required of the Corporation to effectuate this Agreement.

Where possible, contracts and engagements pertaining to the Lands and the Joint Venture Assets will be entered into by the Corporation, on its own behalf, and not in the name of the Joint Venturers.

7.2 Shareholdings

The total issued and outstanding shares in THE CORPORATION shall be 400 Class "A" common voting shares to CEANA DEVELOPMENT INC. and 3,600 non-voting Class "C" common Shares to the other Joint Venturers. The Joint Venturer to this agreement shall subscribe for the number of Class "C" Non-Voting Common Shares that is equal to the number of Participating Interests of such Joint Venturer. **For certainty, each Joint Venturer shall receive one (1) Class "C" Non-Voting Common Share for each Participating Interest held, except for Ceana Development Inc., which will receive one (1) Class "A" Voting Common share for each Participating Interest held.**

All share certificates evidencing shares in the capital stock of the Corporation will have endorsed the following legend:

"The shares evidenced by this Certificate are subject to the terms of the Joint Venture Agreement dated for reference _____ between the Corporation and the Joint Venturer and all transfers, hypothecations, pledges, dispositions and other dealings of any nature or kind whatsoever with the shares evidenced by this Certificate will be made subject only to the terms of that Joint Venture Agreement".

No further shares in the authorized share capital of the Corporation will be issued or allotted except with a decision of the Manager. No issued and outstanding shares in the authorized share capital of the Corporation may be transferred except with a Joint Venturer's Participating Interest and with a decision of the Manager. If a party's Joint Venture Interest changes, it may require that the shareholdings in the Corporation be adjusted and each party agrees to do so as soon as it is notified of a change in the Joint Venture Interest.

7.3 Directors and Officers

The Board of Directors of the Corporation will consist of 1 director, being BOB GAIDHAR, who will be appointed by the Manager. Further, BOB GHADAR shall be appointed as President, Secretary and Treasurer of the Corporation.

ARTICLE 8: ACCOUNTING AND DISTRIBUTIONS

8.1 Books and Records

The books and records of the Joint Venture will be maintained and kept at the offices of the Manager in Calgary, Alberta. At the end of the Project, the following reports will be prepared by or on behalf of the Joint Venture and distributed to each Joint Venturer:

- (a) A report for that Accounting Year containing financial statements for the Joint Venture as at the end of and for that Accounting Year with comparative financial statements as at the end of and for the immediately preceding Accounting Year containing:
 - (i) a balance sheet;

- (ii) a statement of income and expenses;
 - (iii) statement of changes in financial position; and
 - (iv) a report on distributions to the Joint Venturers; and
- (b) information concerning any other matters with respect to the Joint Venture that may be necessary or desirable to enable the Joint Venturers to file tax returns under the Income Tax Act.

8.2 Examination of Accounts

- (a) The Manager and each of the Joint Venturers will have the right at all reasonable times during usual business hours to audit, examine and make extracts from the books of account, records and other documents or papers kept in connection with the Lands, the Project, the Corporation and the Joint Venture. This right may be exercised through any agent or employee of that party designated by it, or by a chartered accountant designated by that party. That party will bear all third party expenses incurred in any examination made for its account.
- (b) The parties acknowledge and agree that the books of account, records and other documents or papers kept in connection with the Lands, the Project, the Corporation are regarded as confidential by the other parties and are proffered to the Joint Venturers as such. All such information disclosed will be received and held in confidence by the Joint Venturers. Each Joint Venturer will restrict disclosure of the information to the minimum number of persons including relevant members of the staff of the Joint Venturer having special knowledge of finance, administration and the like.

8.3 Bank Accounts

The Manager will open a new bank account for the Joint Venture and the Project. Funds paid towards or to be utilized in connection with the Project or paid to or to the account of the Project will be deposited in an account or accounts of a type, in the form and name and in a financial institution approved by the Manager.

8.4 Distribution of Cash

Subject to the terms of this Agreement, the Corporation will collect all deposits, sales proceeds, income, rentals, receipts and revenues derived from the Lands and will deposit the funds with **KH/DUNKLEY LAW GROUP of 20, 1915 - 32nd Avenue NE, Calgary, Alberta, T2E 7C8, Attention: Khalil Haji**, with the direction to pay, use and apply the revenues collected with respect to the Lands and the Project in the following manner and descending order of priority

- (a) in payment of all proper operating costs and expenses incurred in connection with the Project or the Joint Venture including costs to acquire the Lands, general labour work, VISA payments of invoices associated with the building costs, and a reasonable reserve

for working capital, as determined by the Manager;

- (b) in payment of interest and principal as and when due under any bank credit, Revenues and expenditures of each Joint Venturer as owner of a Joint Venture Interest will be determined according to IFRS applied on a consistent basis from year to year. As a Joint Venturer, each Joint Venturer will separately compute its income from the Project, and will separately claim any deductions, allowances and credits that it is entitled to claim in respect of its Joint Venture Interest in the Project for the purpose of the Income Tax Act. Each Joint Venturer is responsible for the preparation and filing of its own tax return and income tax payments. interim financing or permanent financing of the Project;
- (c) subject to approval of the Manager, by distributions to the Joint Venturers according to their Participating Interests. Payments made to the Joint Venturers will be first allocated to repayment of Contributions.

8.5 Holdbacks

Despite anything to the contrary, the Manager may hold back:

- (a) a sum sufficient (as the Manager may reasonably consider necessary) to enable the Manager to pay any costs and expenses (including deferred costs and prepaid expenses) that may fall due and become payable by the Manager in connection with its operation and management of the Joint Venture before the next receipt of monies;
- (b) \$50,000 for a warranty period of 12 months.
- (c) and the Manager may also, in emergency situations, make disbursements from any cash fund, to pay for any costs and expenses which it reasonably considers should be paid or disbursed under the circumstances.

8.6 Statements

Revenues and expenditures of each Joint Venturer as owner of a Joint Venture Interest will be determined according to IFRS applied on a consistent basis from year to year. As a Joint Venturer, each Joint Venturer will separately compute its income from the Project, and will separately claim any deductions, allowances and credits that it is entitled to claim in respect of its Joint Venture Interest in the Project for the purpose of the Income Tax Act. Each Joint Venturer is responsible for the preparation and filing of its own tax return and income tax payments.

8.7 Accountants, Audit and Auditors

The accountants of the Joint Venture will prepare the financial statements for the Joint Venture, including an income statement and balance sheet, prepared according to IFRS. The financial statements of the Joint Venture will be prepared on an annual basis and will not be audited unless the Manager elects to have them audited. Any auditors in respect of the Joint Venture will be approved by the Manager.

8.8 Solicitors

The solicitors for the Joint Venture and all matters relating to the Lands will be:

KH/DUNKLEY LAW GROUP

20, 1915 – 32nd Avenue NE

Calgary, Alberta T2E 7C8

Phone: 403-207-4662

Fax: 403-206-0672

Attention: Khalil Haji

ARTICLE 9: DEVELOPMENT

9.1 Development

The Manager, as manager, will determine when the development of the Project will proceed including construction, completion of the Project.

9.2 Engagement of Manager

The parties desire to engage the Manager to develop the Project under the terms of this Agreement. The Manager, in its sole and unfettered discretion, may hire and pay for professional manger to complete the Project.

9.3 Building and Development Permit

All fees are to be paid by Corporation

9.4 Sales and Marketing of the Completed Project

The Project will be marketed under the THE CORPORATION name. At the sole and unfettered discretion of the Manager, the Manager may retain the services of a licensed realtor to assist in the sales and marketing of the Project and the individual units that comprise the Project on commercially reasonable terms including the payment of commissions. to consist of the Project.

ARTICLE 10: RESTRICTIONS ON TRANSFER

10.1 Restriction on Transfer

Except as otherwise expressly permitted in this Agreement, a Joint Venturer will not mortgage or encumber or sell, transfer or otherwise dispose of the whole or any part of its Joint Venture Interest to another person, firm or corporation without the prior written consent of the other Joint Venturers, which consent may not be withheld unreasonably. It is agreed that the consent of the other Joint Venturers may be withheld if the Joint Venturer wishing to sell or transfer its Joint Venture Interest has not complied with the requirements of Article 11 or if the transfer would result in the violation of securities legislation.

10.2 Permitted Transfers

A Joint Venturer may sell or transfer all, but not less than all of its Joint Venture Interest to:

- (a) in the case of a corporate Joint Venturer, to any Affiliate of it or to a partnership or limited partnership Controlled by the same shareholder or group of shareholders as Control the transferring corporate Joint Venturer, or
- (b) in the case of an individual Joint Venturer, an immediate family member of or an entity Controlled by an individual Joint Venturer;

if the Joint Venturer and the transferee enter into an agreement with the other Joint Venturers to the effect that the transferee will be bound by and have the benefit of the provisions of this Agreement.

10.3 Transferor Remains Bound

Any sale or transfer by a Joint Venturer pursuant to section 10.2 will not release that Joint Venturer from its obligations under this Agreement.

ARTICLE 11: RIGHTS OF FIRST REFUSAL

11.1 Right of First Refusal

If at any time a Joint Venturer will receive a bona fide offer (the "Third Party Offer") from a third party purchaser, including another Joint Venturer, (the "Third Party") to purchase any or all of its Joint Venture Interest in the Joint Venture that it intends to accept, then that Joint Venturer (the "Offeror") will offer to the other Joint Venturer (the "Offeree") by written notice on the same terms and conditions in the Third Party Offer ("Offer") the right to purchase or otherwise acquire the Offeror's Joint Venture Interest that is the subject of the Third Party Offer (the "Subject Joint Venture

Interest").

11.2 Contents of Offer

The Offer must state that it is under Article 11 of this Agreement and describe:

- (a) an accurate description of the Subject Joint Venture Interest;
- (b) that the Offeree is entitled to purchase the Subject Joint Venture Interest;
- (c) the name and address of the Offeror;
- (d) the price of the Subject Joint Venture Interest expressed in lawful money of Canada that will be the same price described in the Third Party Offer;
- (e) the terms and conditions of the Offer including the date for completion of transfer of the Subject Joint Venture Interest (the "Completion Date");
- (f) that the Offer is open for acceptance for a period of 30 days after the receipt of the Offer by the Offerees; and
- (g) the name and address of the Third Party, the price, terms of payment and other terms and conditions of the Third Party Offer, together with a true copy of the Third Party Offer.

Sale to Third Party

11.3

If the Offeree does not give written notice to the Offeror accepting the Offer within the 30 day period for acceptance, the Offeror may 60 days after the expiry of the period for acceptance, sell, transfer or otherwise dispose of the Subject Joint Venture Interest to the Third Party according to the Third Party Offer.

11.4 Revival of Restriction

If section 11.3 applied and the Offeror does not complete a sale to the Third Party within the prescribed period of 60 days, the provisions of section 11.1 will again become applicable to the sale, transfer or other disposition of the Offeror's Joint Venture Interest.

11.5 Condition of Purchase

Despite the foregoing, no disposition of any Joint Venture Interest permitted by section 11.3 will be made unless the Third Party first agrees to enter into an agreement with the other Joint Venturer and the Corporation under which the Third Party will be bound by and entitled to the benefit of the provisions of this Agreement and in the place of the Offeror.

11.6 Termination of Rights

Any Joint Venturer who disposes of all of its entire Joint Venture Interest after compliance with the provisions of this part will be entitled to the benefit of and be bound by only the rights and obligations that arose under this Agreement before such disposition.

11.7 Resignations

On the closing of any sale under this Article, if the sale is of the whole Joint Venture Interest the Offeror will cause its nominees to resign their positions as directors and officers of the Corporation and as the Manager, if applicable.

ARTICLE 12: BANKRUPTCY OR OTHER INVOLUNTARY TRANSFERS

12.1 Option

If:

- (a) there is a bankruptcy, insolvency, winding-up or liquidation of any Joint Venturer;
- (b) a receiver be appointed in respect of the whole or substantially the whole of the assets of any Joint Venturer;
- (c) there is a transfer, voluntary or involuntary by any Joint Venturer of its Joint Venture Interest or any part of that Joint Venture Interest to any creditor in total or partial satisfaction of any debt, obligation, judgment or other liability;

(where any trustee, liquidator or receiver of such Joint Venturer, or its assets, or any that creditor being referred to as the "Involuntary Transferee" and the bankrupt or insolvent Joint Venturer, or the Joint Venturer whose Joint Venture Interest passes to the Involuntary Transferee being referred to as the "Insolvent Venturer" and the other Joint Venturer being referred to as the "Solvent Venturer"), the remaining Solvent Venturer will have the sole, exclusive and irrevocable option to purchase all but not less than all of the Insolvent Venturer's Joint Venture Interest from the Involuntary Transferee. The option will be exercisable by the Solvent Venturer within the later of:
 - (d) 90 days following the vesting or transfer of the Joint Venture Interest of the Involuntary Transferee; or
 - (e) 30 days following the determination of the Option Price provided for in section 12.3.

12.2 Exercise of Option

The option will be exercised by the Solvent Venturer(s) within the time limited for acceptance in section 12.1 by written notice to the Involuntary Transferee. The written notice to the Involuntary Transferee and the written notice evidencing the exercise of the option together with this Agreement will be deemed and construed to be a binding agreement of purchase and sale to be completed in the manner provided for in this Article 12. If the option is not exercised by the Solvent Venturers by written notice within the time limited for acceptance in section 12.1, the option will be null and void.

12.3 Option Price

The price of the Insolvent Venturer's Joint Venture Interest will be the fair market value of the Insolvent Venturer's Joint Venture Interest as of the date of the vesting or transfer to the Involuntary Transferee net of liability and net of any real estate or other sales commissions that would otherwise be payable (the "Option Price"). Fair market value will be determined by independent appraisal by an appraiser having been ordinarily engaged in the business of commercial real estate appraisal in Calgary for a period of at least 10 years, which appraisal will be final and binding upon the parties. If the parties cannot agree on the appointment of an independent appraiser, the appointment will be determined by arbitration under the provisions of the *Arbitration Act* (Alberta). The Option Price will be increased or reduced as the case may be, by the sum that the Insolvent Venturer would have received or have been obligated to pay if termination of the operations of the Joint Venture were effective as of the Involuntary Closing Date.

12.4 Transfer

If the Solvent Venturer exercises the option as required, the conveyance of the Insolvent Venturer Joint Venture Interest to it by the Involuntary Transferee will take place on the last day of the second month following the month in which the Solvent Venturer(s) will exercise the option ("Involuntary Closing Date"). If that day is a Saturday, Sunday or statutory holiday in Alberta, then the next following first business day will be the Involuntary Closing Date.

12.5 Payment of Option Price

The Option Price payable by the Solvent Venturer will be paid or satisfied as follows:

- (a) an amount equal to 10% of the Option Price will be paid by the Solvent Venturer to the Involuntary Transferee as a deposit by certified cheque and will accompany the Solvent Venturer(s) written notice electing to exercise the option;
- (b) a further amount equal to 10% of the Option Price will be paid by Solvent Venturer to the Involuntary Transferee by certified cheque on the Involuntary Closing Date;
- (c) the balance of the Option Price (being 80% of the Option Price) to the Involuntary Transferee in 4 equal annual instalments due and payable respectively on the first, second, third and fourth anniversaries of the Involuntary Closing Date together with

interest on the outstanding balance of the Option Price calculated and paid annually at the rate equal to Prime Rate per annum. Interest payments will be made concurrently with the annual instalments of the Option Price. The parties agree that in addition to the Option Price, the Solvent Venturer will also assume in consideration of the conveyance to it or them of the Insolvent Venturer's Joint Venture Interest, the Insolvent Venturer's proportionate share of the principal balance outstanding under any mortgage or other balance outstanding under to any mortgage or other charge against the Lands at the Involuntary Closing Date.

ARTICLE 13: ADDITIONAL PROVISIONS RESPECTING SALES

13.1 Power of Attorney

If any Joint Venturer has properly exercised its rights to acquire a Joint Venture Interest as provided for in this Agreement (the "Purchaser") and is not in default and on the Closing Date or Involuntary Closing Date, the Joint Venturer who is selling its Joint Venture Interest (the "Vendor") refuses to complete the transaction, the Purchaser upon that default (without prejudice to any other right which it may have) upon payment of it by the purchase price under the Proposed Sale Notice, Offer, or of the Option Price, as the case may be, required to be paid to the credit of the Vendor in the bank of the Joint Venture or with the solicitors of the Purchaser, will have the right to complete the transaction for, and on behalf of and in the name of the Vendor, and the Vendor irrevocably appoints the Purchaser the true and lawful attorney of the Vendor to complete the transaction and sign any and all documents necessary in that behalf.

13.2 Tender

Despite any other provision of this Agreement, any tender of documents or funds by a Vendor or Purchaser, as defined in this Article 13 will be sufficiently made upon the Vendor or Purchaser if made upon its solicitors.

13.3 Novation

Despite any other provisions of this Agreement, it is agreed that a Joint Venturer will not sell, dispose of or alienate its Joint Venture Interest to any person who is not already a party to this Agreement or bound by this Agreement, unless that person will sign and deliver an appropriate instrument in writing in favour of the other Joint Venturer whereby that person will agrees to observe and be bound by all the provisions of this Agreement as if that person had been a party to it and as if that person had been named as a Joint Venturer in this Agreement.

13.4 Discharge of Indebtedness

If the Vendor is indebted to the Joint Venture on the Closing Date, the closing date contemplated by the Offer, or Involuntary Closing Date, as applicable, in an amount recorded in the books of the Joint Venture and that is subsequently verified by

the auditors of the Joint Venture, the Purchaser will have the right to pay, satisfy and discharge all or any portion of that indebtedness out of the cash portion of the price under to the Proposed Sale Notice, the Offer or of the Option Price, as applicable

13.5 Entire Participating Interest

Subject to the provisions of Articles 5 and 11, no Joint Venture Interest will be sold, disposed of or alienated unless it represents the entire Joint Venture Interest of the Joint Venturer wishing to sell, dispose of or alienate the same unless it is specifically contemplated in this Agreement.

13.6 Discharge of Securities

If, at the time of any sale effected under the provisions of this Agreement, the Vendor will have any guarantees, securities or covenants lodged with third parties to secure the indebtedness, liability or obligations of the Joint Venture, then the Purchaser will use its reasonable best efforts to deliver up, or cause to be delivered up to the Vendor upon the sale Closing Date, the closing date contemplated by the Offer, or Involuntary Closing Date a cancellation of those guarantees or covenants and a re-transfer to the Vendor of the securities. If despite its reasonable efforts, the release of the guarantee, security or covenant is not obtained, then the Purchaser will indemnify and save harmless the Vendor from any and all liability under the terms of those guarantees, securities or covenants.

13.7 Corporation Shareholdings Upon Completion of Transaction

Upon the completion of the transactions under Articles 11, 12 and 13, it is understood and agreed that the shareholdings in the Corporation will be transferred accordingly and each of the Joint Venturers will do and cause to be done all things necessary or desirable to effect the transfer in shareholders of the Corporation and any officer of the Corporation may, as the true and lawful attorney appointed make, sign and deliver any documents and assurances necessary to record the change in shareholdings.

13.8 No Redemption

Nothing contained in this Agreement will be read or construed as a foreclosure giving rise to any equity of redemption, the same being specifically negated.

ARTICLE 14: DISPUTE RESOLUTION

14.1 Representatives for Disputes

Each Joint Venturer will each name a representative (the "Representative") who may be replaced at any time, to whom any disputes between the parties will be initially submitted.

14.2 Manner of Dispute Resolution

If there is a dispute regarding any matters under this Agreement that requires a decision of the Joint Venturers, then except as otherwise expressly provided, the parties irrevocably undertake to adopt the following procedures rather than seek recourse to the courts:

- (a) the Representatives will in first instance use their best efforts to seek to resolve the dispute;
- (b) if the Representatives cannot resolve the dispute, the dispute will be submitted to the chief executive officers or their designates of each Joint Venturer who will jointly use their best efforts to resolve the dispute;
- (c) only when this path has been exhausted may either Joint Venturer resort to binding arbitration. If the parties must resort to binding arbitration, the parties will either agree to a single arbitrator or each name an arbitrator within 10 working days of a notice by any party requesting that action. The arbitrator(s) will proceed with all due dispatch, hear the dispute and follow procedures in accordance with the *Arbitration Act* (Alberta).

Despite anything else in this Agreement, nothing will interfere with or prevent the exercise by a Joint Venturer of its rights under Articles 11, 12 and 13.

ARTICLE 15: COVENANTS OF THE PARTIES

15.1 Covenants

Each of the Joint Venturers covenant and agree that it will:

- (a) not do any act or thing or fail or omit to do any act or thing that it may be obligated to do that could cause a breach of or a default in respect of any permit, licence, claim, lease or other right associated with the Project;
- (b) not surrender any permit, licence, claim, lease or other right without the consent of the other Joint Venturer and will maintain in good standing all permits, licenses, claims and leases (including all necessary renewals) that are associated with the Lands or used in connection with the Lands;
- (c) do or cause to be done such acts as may be reasonably necessary or to ensure that its obligations under this Agreement may be fulfilled; and
- (d) pay all taxes, royalties, rates, assessments, governmental charges, penalties, interest and fines in respect of its Joint Venture Interest.

ARTICLE 16: WARRANTIES AND REPRESENTATIONS

16.1 Warranties and Representations

Each Joint Venturer represents and warrants to the other that:

- (a) if it is a body corporate, it is duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction and is qualified to carry on business in the jurisdiction where it is carrying on business;
- (b) it has full power and authority to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the signing and delivery of this Agreement nor any of the agreements referred to in this Agreement or contemplated by this Agreement, nor the consummation of the transactions contemplated by this Agreement will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the signing and delivery of this Agreement and the agreements contemplated by this Agreement will not violate or result in the breach of the laws of any jurisdiction applicable or of its constating documents; and
- (e) Each Joint Venturer has available to it sufficient credit to participate in contributions or borrowings as required to carry on the business of the Joint Venture; and
- (f) it is a resident of Canada within the meaning of the *Income Tax Act*.

ARTICLE 17: NOTICES

17.1 Addresses

Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by the delivery of the same or by transmitting it by telecopier or email transmission, in each case as follows:

- (a) To the Manager
Attention: Bob Gaidhar
101, 3115-12 St. N E.
Calgary, Alberta
T2E 7J2
e-mail: bg@ceana.ca
- (b) To the Corporation
Attention: Bob Gaidhar
101, 3115-12 St N E.

Calgary, Alberta
T2E 7J2
e-mail: bg@ceana.ca

(c) To the Joint Venturer

17.2 Deemed Receipt

Any notice, direction or other instrument will be deemed to have been given on the day it is delivered, if delivered, or on the business day following its legible transmission if telecopied or sent by email.

17.3 Change of Address

Any party may at any time give to any other party notice in writing of any change of address or telecopier number of the party giving notice and from and after the giving of notice the address or telecopier number specified will be deemed to be the address or telecopier number of that party for the purposes of giving notice under this Agreement.

ARTICLE 18: GENERAL

18.1 Further Assurances

The Parties will sign such further documents and do or cause to be done all acts or things necessary to implement and carry into effect the provisions and intent of this Agreement.

18.2 Waiver

No consent or waiver, express or implied, by either Joint Venturer to or of any breach or default by the other Joint Venturer in the performance by the other of its obligations under this Agreement will be deemed or construed to be consent or waiver to or of any other breach or default in the performance by that other party of the same or of any other obligations of such Joint Venture. Failure on the part of any Joint Venturer to complain of any act or failure to act on the other Joint Venturer or to declare the other Joint Venturer in default irrespective of how long such failure continues, will not constitute a waiver by such Joint Venturer of its rights under this Agreement.

18.3 Severability

If any provision of this Agreement or its application to any person or circumstances will be invalid or unenforceable to any extent, the remainder of this Agreement and the application of those provisions to other persons or circumstances will not be affected and will be enforced to the greatest extent permitted by law.

18.4 Time of Essence

Time will be of the essence of this Agreement.

18.5 Governing Law

This Agreement will be governed by the laws of Alberta.

18.6 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the parties to this Agreement, their respective successors and permitted assigns.

18.7 Entire Agreement

This Agreement will constitute the entire agreement of the parties with respect to the Joint Venture and will not be changed, modified or discharged except by written agreement.

[Remainder of page intentionally left blank. Signature page to follow.]

18.8 Counterparts

This Agreement may be signed in counterparts, each signed counterpart will be deemed to be an original and all counterparts when read together will constitute one and the same instrument.

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

CEANA DEVELOPMENT SUNRIDGE INC.

Per: 

Name: BOB GHADAR

Title: DIRECTOR

Corporation Name: 1989207 AB INC.

Per: 

Name:

Title:

MASSOUD RAHVEMA

FORM OF SUBSCRIPTION FOR SHARES IN CORPORATION

SAMPLE ONLY

SHARE SUBSCRIPTION

TO: CEANA DEVELOPMENT SUNRIDGE INC.

I, _____, hereby make application to purchase from Treasury of _____ (_____) Class "C" Common Non-Voting Shares in CEANA DEVELOPMENT WESTWINDS INC. for the price of \$1,000.00 per share, for a total subscription price of \$_____.

Dated this _____ day of _____, 20_____.

SCHEDULE B

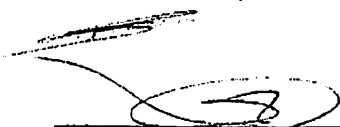
SUBSCRIPTION FOR SHARES IN A CORPORATION

SHARE SUBSCRIPTION

"TO: CEANA DEVELOPMENT SUNRIDGE INC. (joint venture corporation).

I, 1989207 Alberta Inc., hereby make application to purchase from Treasury one hundred (100) Class "C" Common Non-Voting Shares in CEANA DEVELOPMENT SUNRIDGE INC. for a price concurrent with my acquisition of a joint venture interest of 100 share for the amount of \$ 100,000, pursuant to a Joint Venture Agreement "

Dated this 1 day of Sept, 2016.



Correspondence for this transaction:

20, 1915 – 32nd Avenue NE
Calgary, Alberta T2E 7C8
p. 403.207.4662
f. 587.318.6755

August 22, 2019

1989207 Alberta Ltd.
1528 18 Avenue N.W.
Calgary, Alberta
T2M 0W8

Lawyer:
Khalil Haji
khalil@khlawgroup.com

Legal Assistant:
Pritika Prasad
pratika@khlawgroup.com

Reference: 2891-014

Dear Sir/Madam:

Re: Ceana Development Sunridge Inc. (the "Vendor") sale to 1989207 Alberta Ltd. (the "Purchaser(s"))
9, 2255 – 32 Street NE, Calgary, Alberta
Purchase and Sale Agreement dated 23 August, 2016 (the "Purchase Agreement")


With respect to the above referenced transaction, we confirm that we hold a deposit in the sum of \$90,000.00 (the "Deposit").

We are providing you with this notice pursuant to Section 20.32(8) of the *Condominium Property Regulation* (Alberta) to advise you that we have transferred the Deposit to Kyle Kashuba at Torys LLP, who will now act as the "Prescribed Trustee" (as such term is defined in the *Condominium Property Regulation*). You should receive a notice from the Prescribed Trustee advising of their receipt of the Deposit in the near future.

We are required to transfer the Deposit as described above pursuant to a Receivership Order appointing Alvarez & Marshal Canada Inc. (the "Receiver") as the receiver and manager of Ceana Development Sunridge Inc. Torys LLP are the solicitors for the Receiver.

Please direct any questions or concerns on this matter to Mr. Kyle Kashuba (kkashuba@torys.com).

Sincerely,

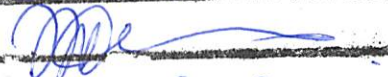


Khalil Haji
KH/pp

cc: Bob Gaidhar, Ceana Development Sunridge Inc., by email (bg@ceana.ca)
Kyle Kashuba, Torys LLP, via courier

HIS IS EXHIBIT F

referred to in the Affidavit
of Masoud Rahnama
Sworn before me this 21st day
of December A.D., 2020



A Commissioner for Oaths in and for Alberta

TCHUPA CHIBAMBO

Barister, Solicitor & Notary Public

TORYS
LLP

THIS IS EXHIBIT C5

referred to in the Affidavit
of Massoud Rahnema
Sworn before me this 21st day
of December A.D., 2020

525 - 8th Avenue S.W., 46th Floor
Eighth Avenue Place East
Calgary, Alberta T2P 1G1 Canada
P. 403.776.3700 | F. 403.776.3800
www.torys.com

Kyle Kashuba
kkashuba@torys.com
P. 403.776.3744

Commissioner for Oaths in and for
Alberta

May 28, 2020

TCHUPA CHIBAMBO

Chibambo Law Firm
703 6 Ave SW
Calgary, AB T2P 0T9
Attn: Tchupa Chibambo

Notary, Solicitor & Notary Public

1989207 Alberta Ltd.
1528-18 Avenue NW
Calgary, Alberta
T2M 0W8

Hello:

**Re: Purchase and Sale Agreement (the "Agreement") between Ceana Development Sunridge Inc. ("Ceana") and 1989207 Alberta Ltd. Commercial Condominium Unit Project (the "Project") located at 9, 2255 - 32 Street NE, Calgary, AB
Claim against Trust Funds**

As you are aware, Alvarez & Marsal Canada Inc. (the "**Receiver**") has been appointed to act as the receiver and manager of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof of Ceana pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and the order granted by Madam Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta made on July 3, 2019 (bearing Court File No. 1801-04745, and such proceedings, the "**Receivership Proceedings**"), and we are counsel to the Receiver.

In connection with the Receivership Proceedings, we note that Hillsboro Ventures Inc. ("**Hillsboro**") has made a claim that they paid for your deposit and has inserted a claim against \$90,000 held in our trust account related to the deposit funds that were to be provided under the Agreement.

Hillsboro has advised that you converted to an investor (which resulted in the release of your trust deposits) and provided additional commentary on their views of the events. The Receiver is requesting you to provide your comments towards their assertions of events below:

- i. Ceana enticed certain of the unit purchasers (including yourself) to become investors in the Project. You released your deposit to Ceana in consideration of taking a participatory interest and that although you were still a purchaser, you allowed Ceana to use your deposit funds in the development of the Project when you elected to take an equity stake;
 - a. **Please confirm whether this is accurate and if not, please provide documentary evidence to support your position?**

- b. **Can you please confirm to whom the deposit funds were paid to in the first instance (i.e. was it paid directly to KH Dunkley Law Group or Ceana)?**
- ii. Hillsboro provided funds to Ceana to shore up the deposit shortfall (as the deposit funds you provided were released for the development of the Project) as another lender to Ceana, Chinook (the predecessor to Connect First Credit Union Ltd), advised Ceana that they required a certain level of pre-sales with a certain percentage of deposits to be on hand in order to advance funds.

Specifically, as four of the purchasers (including yourself) had converted to investors and had their deposits released, Chinook/Connect First required the shortfall to be covered in order for them to be comfortable financing. Hillsboro financed at least \$267,000 of the shortfall and advised its counsel at the time that it required an assignment of all the funds comprising the deposit shortfall (\$439,000) to be assigned in favour of Hillsboro to ensure its repayment of that amount.

- a. **Do you have any information regarding this assignment?**
- iii. Hillsboro is of the view that you have no claim over the funds held in our trust account and that you have signed a postponement agreement. It is possible that Hillsboro's claim relates to the fact that you entered into a Joint Venture Agreement with Ceana. Please let us know if you agree and provide details of this arrangement.
- a. **Can you confirm if it was the intention that the deposit you provided pursuant to the Agreement was to form part of your arrangements under the Joint Venture Agreement?**
- b. **If so, could you please provide documentation and details to substantiate this position?**

We currently hold \$90,000 in a trust account related to this matter – again, Hillsboro has made a claim against same. In the event that you did provide any other funds, please note that it is unclear what happened to such funds.

The Receiver has requested that you advise of your position and confirm whether you agree with Hillsboro's claim (i.e. that Hillsboro is entitled to your deposit). If you disagree with Hillsboro's position, we would appreciate it if you could kindly provide documentation / information to substantiate your position.

The Receiver intends to resolve this matter immediately and would appreciate it if you could respond no later than June 15th, 2020. After such date, the Receiver may make a determination which may not be in your benefit. Thus, we kindly request your immediate attention to this request.

Best regards,



Kyle Kashuba

cc: The Receiver, Alvarez & Marsal Canada Inc.
Attn: Orest Konowalchuk and David Williams
(via email)

29937474.1

chibambolaw@telus.net

From: masod rahnema <masod_hh@yahoo.com>
Sent: June 15, 2020 5:00 PM
To: Tchupa Chibambo
Subject: FW: sunridge

Hello Mr. Chupa I just received this from Bob the owner of sienna ltd. And plus I received a package from torys should I come drop it to your office? please let me know.
Thank you.

Sent from Mail for Windows 10

From: Bob Gaidhar
Sent: June 15, 2020 2:52 PM
To: Massoud rahnema
Subject: sunridge

CRU	SELL PRICE	PURCHASER	DEPOSIT WITH LAWYER	DEPOSIT IN JV	W/O GST
CRU 9 BLDG E	\$900,000.00	1989207 AB LTD	\$90,000/TORY	\$310,000.00	1800 SC



Ceana
Developments Inc

Bob Gaidhar
207, 4850 Westwinds Dr. N E
Calgary. AB.
T3J 3Z5

THIS IS EXHIBIT H
referred to in the Affidavit
of Massoud Rahnema
Sworn before me this 21st day
of December A.D., 2020
[Signature]
A Commissioner for Oaths in and for Alberta

TCHUPA CHIBAMBO
Barrister, Solicitor & Notary Public