

NO : 500-11-041305-117

SUPERIOR COURT
District OF MONTRÉAL

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:**

HOMBURG INVEST INC.

-and- **HOMBURG SHARECO INC.**
-and- **HILL GP INC. & ALS.**
Debtors

-and-
THE ENTITIES LISTED IN ANNEXE I
Mis-en-cause

-and-
SAMSON BELAIR / DELOITTE & TOUCHE INC.
Monitor

-and-
ROMSPEN INVESTMENT CORPORATION
Petitioner

EXHIBIT R-1 :

**COMMITMENT LETTER IN FAVOUR OF
CHURCHILL**

ORIGINAL

BD 3477 N/réf : 300964-18/131425-1001

ME ANNIE LEFEBVRE
DE GRANDPRÉ JOLI-
COEUR, s.e.n.c.
2000, Avenue McGill College,
Bureau 1600
Montréal, Québec H3A 3H3
TÉL.: (514) 287-9635
FAX.: (514) 499-0469

DAVID P. PREGER
LISA S. CORNE
DICKINSON WRIGHT LLP
Barristers & Solicitors
P.O. Box 124, 18th Floor
222 Bay Street
Toronto, ON M5K 1H1
Tel: 416-646-4606
Fax: 416-865-1398



Our File: 8000

December 8, 2009

Churchill Estates Development Ltd.
c/o Homburg Canada Inc.
32 Akerley Blvd.
Dartmouth, NS B3B 1N1
Attention: Mr. Gordon G. Lawlor
Vice President and CFO

Re: \$10.5 million (approximately) First Mortgage Financing - 22 Existing Condominium Units ("Units"), 33 Parking Stalls and 23 Storage Units, Located at 701 - 3rd Avenue SW, Calgary, Alberta

We are pleased to inform you that, on the basis of the information and the documents supplied by you, Romspen Mortgage Corporation as Trustee (the "Lender") hereby submits to you this offer of Mortgage Financing ("Commitment") in connection with the property above mentioned and more fully described in Section 4 below.

This Commitment must be accepted by the Borrower and received by the Lender, together with the Standby Deposit as hereinafter set out, no later than five (5) days from the date first written above, failing which this Commitment shall become null and void without further notice.

1. BORROWER(S)

Churchill Estates Development Ltd. (the "Borrower") who represents itself (themselves) to be the legal and beneficial owners of all property and assets comprising the security required pursuant hereto.

2. COVENANTOR(S)

Homburg Invest Inc. (the "Covenantor").

The Covenantor, jointly and severally with the Borrower, covenants and agrees to satisfy all terms, conditions and requirements herein contained and each of the Borrower and Covenantor acknowledges and agrees that their obligations hereunder, including, without limitation, the obligations to repay the Loan, shall constitute primary obligations and shall be joint and several. Notwithstanding the foregoing, the Covenantor's liability shall be limited to, and shall not exceed, 50% of the Loan Amount outstanding at any time.

162 Cumberland Street, Suite 300, Toronto, Ontario, M5R 3N5
Tel: (416) 966-1100, Fax: (416) 966-1161
www.romspen.com

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A handwritten signature in dark ink, appearing to be "G. Lawlor", is written over the initials lines.

3. APPROVED LOAN AMOUNT

The approved loan amount is the lesser of: (a) Ten Million Five Hundred Thousand Dollars (\$10,600,000) and (b) that amount representing 65% of the value of the Units, as determined by the Lender in its sole discretion ("Loan").

The Loan shall be funded by way of a single advance.

4. PROPERTY

Municipal Address: 701 – 3rd Avenue SW, Calgary AB
(the "Churchill" residential condominium tower)
Units 101, 102, 103, 203, 204, 206, 301, 305, 401, 403, 405, 504, 601, 604, 701, 702, 704, 801, 803, 901, 902, 903.

Legal Description: *Entire Tower:*
Condominium Plan 0713078
Excepting thereout all mines and minerals.
Having an area of approximately 0.37 acres or 16,277 square feet, (total site) and improved with a concrete high rise multi-family residential tower containing 40 units, underground parking stalls, storage locker units and common areas.

Units Comprising Lender's Security, including 22 condominium units, 33 parking stalls and 23 storage units comprising a total saleable area of 26,248 sq (attached as Schedule A to this Commitment):

For each unit:
Condominium Plan 0713078
[Land Title Certificate unit number corresponding to the above-noted units, plus parking space units and storage locker units] as described on Schedule A hereto
Excepting thereout all mines and minerals.

For greater certainty, the Property shall include all remaining unsold parking space units and storage locker units.

(collectively, the "Property")

Use of the Property: Residential condominium units. The Property shall at all times be used for this and no other purpose.

Borrower represented
Value of the Property: \$18,540,000.

Permitted
Financial Encumbrances: None, unless pursuant to the cross-collateralization provisions herein.

5. ADVANCE DATE

The advance shall take place on or around the week of December 21, 2009.

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6. INTEREST RATE

The interest rate for the financing will be 9.75% per annum, calculated and compounded monthly on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment.

Where the Advance Date is more than sixty (60) days from the date of execution hereof, and the loan is not fully advanced by the said Advance Date, we may increase the interest rate by the amount of any increase in Royal Bank of Canada Prime Rate (as defined in Section 14.4) that occurs between the date of execution hereof and the date that is ten (10) days prior to the actual date that the Charge is fully advanced.

7. TERM

The term for the financing shall be two (2) years commencing from the Interest Adjustment Date (the "Loan Term"). The date on which the Loan Term expires is sometimes referred to herein as the "Loan Maturity Date". The Loan shall not be repaid prior to the Loan Maturity Date, unless a prepayment privilege is provided herein. Interest Adjustment Date is to be set on the 1st or the 15th of the month following the first advance of funds under the mortgage.

8. USE OF FUNDS

To provide funds for the Borrower's general corporate purposes and to pay the fees and expenses of the transaction.

The Borrower represents and warrants that no portion of the Loan will be used for the supply of any services or for any erection, installation, addition, removal, construction, renovation, alteration, or repair to the Property or to any building, structure or works thereon. In the event that a claim for lien is subsequently made under the *Builders Lien Act*, and not vacated within 15 days, the Lender may, in addition to any other remedy available to it and in its unfettered discretion, accelerate the maturity date of the Loan upon a 10 day notice to the Borrower.

9. SECURITY

The following security for the Loan shall be granted in favour of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security"):


- 9.1 a first-ranking mortgage and charge, in the amount of \$10,500,000 charging the Property;
- 9.2 a first-ranking general assignment of all present and future rents pursuant to leases and offers to lease (such offers to lease and leases being hereinafter collectively referred to as the "leases" and the use of the word "lease" herein shall be deemed to include offer to lease) affecting the Property together with all insurance indemnities covering the said rents and of all income and accounts derived from the Property including all proceeds receivable from early termination of any of the leases and all other benefits and advantages to be derived therefrom. The Lender may in addition, in its absolute discretion, require attornment and/or attornment and subordination agreements to be entered into by the tenants of any of the leases. Any security interest granted by a tenant in favour of the Borrower shall be assigned and transferred to and in favour of the Lender under the terms of the assignment of leases and rentals granted to the Lender;
- 9.3 a first-ranking specific assignment of all leases for tenants occupying or to occupy more than 5% of rentable area or generating more than 5% of total rental revenue, and of all rents payable under such leases, of all insurance indemnities covering the said rents and of all income and accounts derived therefrom, including all proceeds received from early termination of such leases, together with tenant acknowledgements for such tenants in the form set forth in Schedule "F" hereto and, if required by the

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Lender, attornment and/or attornment and subordination agreements in respect thereof. The Lender shall be entitled to register the specific assignments of such leases and to require notices of each such lease to be registered against title to the Property by the Borrower in such order as requested by the Lender;

- 9.4 a first-ranking general security agreement charging all of the personal and real property of the Borrower and Covenantor including, without limitation, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future;
- 9.5 a specific assignment of all the Borrower's right, title and interest in, to and under all material contracts affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;
- 9.6 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters specifically, but without limitation, confirming the good standing of such contracts and the rights of the Lender under its security;
- 9.7 if the Property is a condominium, a specific assignment of all of the Borrower's right, title and interest in and to all purchase agreements, sales proceeds and purchaser deposits. In addition all condominium association voting rights shall be assigned to the Lender, or its nominee;
- 9.8 if any charge is to be registered with the Lender's prior written consent on title to the Property in subordinate priority to the Lender's security in favour of any party related to the Borrower or any beneficial owner within the definition of "Related Party" pursuant to the Income Tax Act (Canada) such subordinate chargee shall provide to the Lender a Subordination and Standstill Agreement in the form as set out in Schedule "N" attached hereto;
- 9.9 an unconditional, joint and several covenant by the Covenantor as principal debtor and not as surety for the performance of all obligations of the Borrower with respect to the Loan, it being understood that the Lender shall not be obliged to proceed against the Borrower or to enforce or exhaust any security before enforcing the guarantee;
- 9.10 assignment of all insurance policies with respect to the Property and all proceeds and benefits therefrom in favour of the Lender;
- 9.11 assignment, postponement and subordination by the respective shareholders of all corporate Borrowers, in favour of the Lender, of any and all loans, indebtedness, distributions of income and/or capital owing or due to them from time to time by the respective corporate Borrowers;
- 9.12 a pledge of all the issued and outstanding shares of the Borrower;
- 9.13 such further and other security as legal counsel for the Lender may reasonably require.

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10. TRANSACTION FEES AND RELATED COSTS

Administration Fee:	\$ 3,000
Lender's Fee:	\$184,000
Broker's Fee (BMO Capital Markets):	\$ 62,500
Insurance Risk Management Fee:	\$ 1,500*
Lender's Basic Legal Fee (estimated):	\$ 15,000*
Advance Fee:	\$ 1,000

Total Fees: \$257,000*

* Plus disbursements and taxes, if applicable.

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the transaction contemplated by this Commitment, including, without limitation:

- 10.1 engineering, environmental assessment, appraisal, credit information, inspection, architectural, project monitoring, cost consultancy, survey and any and all other professional and advisory costs as may be reasonably required by the Lender;
- 10.2 registration, recording and filing fees, taxes and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any advance of the Loan.

11. STANDBY DEPOSIT

In consideration of the issuance of this Commitment and in recognition of the considerable effort that the Lender must immediately undertake in order to make funds available for closing, the Borrower agrees to submit to the Lender, together with this executed Commitment, a sum of \$80,000 ("Standby Deposit"), by way of a certified cheque payable to the Lender. The Lender hereby acknowledges receipt of \$40,000 as part of the Standby Deposit.

Standby Deposit shall bear no interest while in the possession of the Lender. Save as otherwise provided for herein, such Standby Deposit shall be credited to the Borrower at the time of the first advance of the Loan.

12. ADVANCES AND CONDITIONS PRECEDENT**12.1 General**

- 12.1.1 Subject to the other terms and conditions set forth in this Commitment, the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified in Section 3 herein.
- 12.1.2 The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances, with the exception of the Security provided for in this Commitment and the Permitted Encumbrances, the whole to the complete satisfaction of legal counsel for the Lender.


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- 12.1.3 All taxes, assessments, duties, utility charges and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.
- 12.1.4 The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to the appropriate taxation, municipal, utilities and other authorities an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether the authorities concerned have issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. This authorization shall remain in effect until the Loan has been fully repaid.
- 12.1.5 Within five (5) business days from acceptance of this Commitment, the Borrower shall deliver to the aforementioned legal counsel the following documents (where applicable):
- 12.1.5.1 all title deeds;
 - 12.1.5.2 copies of all contracts affecting the Property or relating thereto, including, without limitation, executed offer to lease or leases, standard offer and lease agreements and all information related to such leases. If Property is a condominium - standard purchase agreement, copies of all condominium documentation, including the declaration and by-laws;
 - 12.1.5.3 required insurance policies;
 - 12.1.5.4 evidence that the tax accounts have been duly paid;
 - 12.1.5.5 certified copies of the Borrower's borrowing by-law and resolution authorizing this transaction;
 - 12.1.5.6 a certified copy of the Covenantor's resolution(s) authorizing this transaction;
 - 12.1.5.7 certified copies of the articles of incorporation, certificate of incorporation, of status and/or of compliance of the Borrower and the Covenantor;
 - 12.1.5.8 an original up to date survey prepared by a duly qualified land surveyor; such survey must be in a form acceptable to the Lender's counsel; and
 - 12.1.5.9 any other documents required hereunder and reasonably requested by legal counsel for the Lender.

12.2 Advance Requirements

The advance of the Loan is conditional upon the receipt by the Lender of the following documents, in form and substance satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in Schedule "B" hereof and elsewhere, to the entire satisfaction of the Lender:

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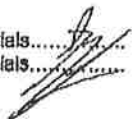


- 12.2.1 the Security and any other documents relating to the Loan that are required or contemplated hereunder or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and registered and perfected, as the case may be and all approvals required by the Lender or its counsel shall have been given;
- 12.2.2 amendments, satisfactory to the Lender, to the commitment dated October 6, 2009, between the Lender and Castello Development Ltd., and to any related security documents, in order to provide for cross-default and cross-collateralization provisions substantially in accordance with the cross-default and cross-collateralization provisions of this Commitment, with necessary modifications;
- 12.2.3 a title insurance policy insuring title to the Property issued by a title insurance company acceptable to the Lender and in form and content satisfactory to the Lender with the premiums to be paid for by the Borrower.
- 12.2.4 a favourable opinion of the Borrower's counsel on the due incorporation, corporate power and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of this Commitment and the Security and such other matters as the Lender or its counsel may reasonably require;
- 12.2.5 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;
- 12.2.6 receipt of a fully executed original copy of the purchase and sale agreement and amendments thereto for the Property and favourable opinion report thereon prepared by the Lender's counsel, if applicable;
- 12.2.7 evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in Schedule "L", together with a favourable opinion of the Lender's insurance consultant on the adequacy of all insurance policies and or bonding requirements referred to and/or required to be delivered and/or maintained hereunder;
- 12.2.8 evidence that all taxes, rates, assessments and charges which may be levied or imposed against the Property and/or the Borrower's business, including all utilities and other amounts capable of forming a charge against the Property, have been paid in full;
- 12.2.9 evidence that the Borrower has complied with all statutory requirements for deductions at source and remittance to applicable fiscal authorities, including, without limitation, those under the *Income Tax Act (Canada)*, the *Excise Tax Act (Canada)*, the *Canada Pension Plan Act (Canada)* and the *Employment Insurance Act (Canada)*;
- 12.2.10 an acceptable site inspection has been completed on behalf of the Lender;
- 12.2.11 a satisfactory interview with the Borrower has been conducted by the Lender;
- 12.2.12 a satisfactory review of the location, status and value of the Property and the condominium units therein, has been conducted by the Lender;
- 12.2.13 a satisfactory review of the Covenantor's direct and indirect corporate holdings has been conducted by the Lender;

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- 12.2.14 a satisfactory review of the actual costs for the development of the Property and the sales income generated by sales of units therein, and a satisfactory review of other similar properties developed by the Borrower and/or the Covenantor or its affiliates, has been conducted by the Lender;
- 12.2.15 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report, allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming, to the satisfaction of the Lender, that the Property complies with Environmental Laws (as defined in Schedule "B" hereof). The Borrower hereby agrees to provide all information that it has with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender;
- 12.2.16 an appraisal and feasibility report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes;
- 12.2.17 all leases affecting the Property, executed by the parties thereto, including, without limitation, those listed in Schedule "G" hereto, or a certified rent roll in a form acceptable to the Lender and reviewed by and found satisfactory to the Lender and its counsel. In addition, tenant estoppel certificates for all tenants occupying or to occupy 5% of rentable area or more or generating 5% of total rental revenue or more, and attornment and subordination agreements from tenants as required by the Lender, shall have been executed by the required parties and found satisfactory to the Lender;
- 12.2.18 if there are existing structures on the Property, a favourable report from a qualified structural engineer, addressed to the Lender and attesting to the structural soundness of the existing improvements erected on the Property;
- 12.2.19 no event shall have occurred and be continuing or would result from making of any advance under the Loan, which constitutes an event of default or would constitute an event of default under any of the Borrower's obligations, except when such default is cured by notice or elapsed time or both;
- 12.2.20 the Lender and its counsel shall have approved any, and all contracts and documents affecting or with respect to the Property;
- 12.2.21 if the Property involves a ground lease, a copy of the ground lease and if applicable, insurance trust agreement and any other agreement entered into with the ground lessor;
- 12.2.22 if the Property is a condominium, all draft condominium documents;
- 12.2.23 the project management agreement, any co-owners agreement, and/or the nominee trust agreement in effect in respect of the Property;
- 12.2.24 evidence of compliance with The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations, including but not limited to;

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- (a) Each individual Borrower and individual Covenantor is to provide, at least 3 days prior to funding, the completed Agent Examination of Identification as set out in Schedule C;
- (b) Each corporate Borrower and corporate Covenantor is to provide, at least 3 days prior to funding, with the following:
- (i) Corporation profile report or Certificate of Status confirming such corporate Borrower or corporate Covenantor has not been dissolved;
 - (ii) Executed Certificate of Incumbency setting out the names of all directors and officers, and the office held by each officer;
 - (iii) Executed director(s)' resolution authorizing the transaction;
 - (iv) Shareholders' register. A completed Agent Examination of Identification form is required for each individual shareholder who owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of such corporate Borrower or corporate Covenantor. For each corporate shareholder which owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of a corporate Borrower or corporate Covenantor, the Lender requires items (i) and (ii).

12.2.25 if any Covenantor is other than shareholder, beneficial owner, director, officer or controlling mind of the Borrower, or if at the Lender's sole determination, undue influence could be brought to bear upon such Covenantor by the Borrower or any other Covenantor or beneficial owner, any such Covenantor must obtain and deliver to the Lender a Certificate of Independent Legal Advice and/or Representation on independent solicitor's letterhead, in the form as set out in Schedule "M" hereto;

12.2.26 notwithstanding anything contained herein, no advances shall be made by the Lender until such time as the Lender is in receipt of, and has reviewed, all due diligence material referred to in Schedule A of the letter agreement dated November 11, 2009, and not herein before requested;

12.2.27 notwithstanding anything contained herein, no advance shall be made by the Lender until it shall have been duly advised by its legal counsel that, having regard to all the circumstances, such advance should be made.

13. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment, or if it does not fulfill the conditions for disbursement of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, no later than five (5) business days prior to the Advance Date, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes the same available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the Standby Deposit as liquidated damages and in such event, this Commitment shall thereafter, subject as hereinafter provided, be null and of no further effect, without any further recourse by either party against the other. In addition, notwithstanding the forfeiture of the Standby Deposit, the Borrower shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out in Section 10 and incurred by the Lender whether or not the Loan is proceeded with. The aforesaid covenants and agreements with respect to the Standby Deposit and the Borrower's obligation to pay and reimburse the abovementioned amounts are enforceable by the Lender notwithstanding the termination of this Commitment, each of such covenants and agreements having an independent existence from this Commitment.

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14. OTHER FINANCING TERMS**14.1 Repayment and Monthly Mortgage Instalments**

Interest computed as provided in Section 6 shall be payable monthly in arrears on the same day of each and every month throughout the Loan Term.

With respect to any advance under the Loan, funds shall be deemed advanced on the earliest of:

- (i) the date that the funds are removed from the Lender's account and designated to the Borrower's account or as the Borrower may direct, or
- (ii) the date upon which the Borrower or its authorized representative has requested the funds to be advanced; or
- (iii) in the case of the first advance, the date scheduled for the first advance as herein set out or as amended pursuant to any written agreement between the Borrower and the Lender.

Upon expiry of the Loan Term, the principal of the Loan, together with interest and all other amounts due and owing by the Borrower to the Lender under the Security (as defined herein) shall become immediately due and payable.

It is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid in one (1) month from the time of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

14.2 Reserve Fund for Realty Taxes

The Borrower shall maintain all tax accounts current. However, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing the Lender's estimate of one twelfth (1/12) of the annual taxes payable in accordance with Section 16 of the Standard Charge Terms set out in Schedule "B" hereto.

The Lender shall not be responsible for the payment of any tax arrears.

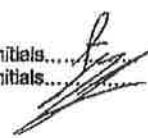
14.3 Method of Payment of Monthly Instalments of Interest

The Borrower shall remit payments via an automatic debit service, by submitting the Authorization Form attached hereto as Schedule "D", together with a "void" cheque. If there are any changes to the Borrower's regular payment, the Lender will provide notice at least ten (10) days in advance of the debit. Please note that all of the account information provided in this respect will be kept confidential.

14.4 Condition upon Maturity

In the event that the Borrower fails to repay the principal and interest outstanding on the Loan Maturity Date or any renewal thereof agreed to by the Lender, the Lender may, at its sole discretion, extend the mortgage for a period of one (1) month from the original Loan Maturity Date or any renewal thereof agreed to by the Lender, at an interest rate equal to the higher between the Interest Rate for the Loan and the then Royal Bank of Canada Prime Rate per annum plus five percent (5.00%), calculated and payable monthly. In the event that the Loan has not been repaid or renewal has not been finalized within

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this one (1) month period, then there will be no further extensions, the Lender may exercise its remedies under the Security.

The interest rate applicable will be determined by the Lender on the first (1st) Banking Day of the month in which the Loan matures.

"Royal Bank of Canada Prime Rate" means the rate of interest, expressed as a percentage per annum, published and quoted by Royal Bank of Canada's Toronto, Ontario, Head Office and which is commonly known as the prime lending rate for commercial loans in Canadian Dollars.

"Banking Day" for the purposes of this clause, will mean a day on which the Edmonton, Alberta, Main Branch for the Royal Bank of Canada is open for business and which is not a Saturday, Sunday, Civic or Statutory Holiday.

All other terms and covenants under the existing mortgage and charge shall continue to apply.

The mortgage and charge may be paid in full on the Loan Maturity Date or any renewal thereof agreed to by the Lender, or any time during the one (1) month extension period without notice, bonus or penalty, other than payment of the Extension Fee and any applicable discharge fees as hereafter set out.

An extension fee which is the greater of Five Thousand Dollars (\$5,000.00) or one percent (1.00%) of the outstanding balance shall be added to the principal balance if this extension provision is utilized.

15. LEGAL COUNSEL

The title report, Security and all other document relating to the financing shall be prepared by the Lender's counsel who shall act on behalf of the Lender:

John Little
Witens LLP
Suite 2500, Canadian Western Bank Place
Edmonton, Alberta T5J 3N8

The Borrower shall be responsible for all legal costs involved in the preparation, settlement, execution and delivery of this Commitment, the Security and all other documentation related to the Loan.

16. PREPAYMENT PRIVILEGE


The Borrower shall, when not in default, have the right to prepay all of the amount outstanding under the Loan prior to the Maturity Date, on any payment date, upon giving the Lender one (1) month written notice in advance of payment and upon payment of a bonus equal to one (1) month interest.

17. PARTIAL DISCHARGES

Provided no event of default has occurred and the Loan is in all respects in good standing, the Lender agrees to provide to the Borrower, from time to time, partial discharge(s) of the condominium units comprising the Property prior to any closing of a sale of such unit and its appurtenant common interest to a bona fide arm's-length purchaser upon fulfillment and satisfaction of each of the following conditions to the complete satisfaction of the Lender:

- 17.1 the provisions of any land use planning legislation are fully complied with in respect to each such partial discharge;

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- 17.2 payment to the Lender of an administration fee of \$250 plus GST per each such discharge (plus solicitor's fees, if applicable); and
- 17.3 The Lender receives, for each unit of the Property to be discharged, immediately available funds in an amount equal to the greater of: (a) 115% of the Allocated Loan Amount for the subject unit; and (b) 100% of the net sale proceeds of any bona fide arm's length sale in respect of the subject unit.

"Net sale proceeds" means the amount determined by subtracting from 100% of gross sale proceeds of the unit: (i) GST payable thereon (if payable by the Borrower); (ii) the closing costs which consist of reasonable (as compared to the sale of a similar property) fees and expenses of the Borrower's solicitors with respect to each such sale and the reasonable (as compared to the sale of a similar property) real estate broker's commission payable by the Borrower with respect to such sale.

"Allocated Loan Amount" means the proportionate amount of the total loan amount of \$10,500,000 allocated to each unit based upon its value as estimated by the Lender, in its sole discretion, acting reasonably.

Subject to Section 23 hereof, the said partial discharges shall be available and payments with respect to same shall be required for all units until all indebtedness and all obligations pursuant hereto are either satisfied in full or cash collateralized.

18. SURVEY

The Borrower shall deliver to the Lender within five (5) business days prior to the first advance for its examination an up-to-date fully monumented survey or Real Property Report of the Property prepared by a duly qualified Alberta Land Surveyor according to the standards of the Association of Alberta Land Surveyors showing, inter alia:

- 18.1 the boundaries and dimensions of the lands;
- 18.2 the location of all buildings and other improvements (if any) on the Property;
- 18.3 the names and municipal block numbers of adjacent streets;
- 18.4 the location of all registered easements, rights of way, etc.

Said survey shall be approved by the legal counsel for the Lender. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, three (3) original signed and sealed copies of the said survey. In addition, the Borrower shall deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, a solemn declaration of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon has been effected and no new construction has been erected by a neighbor along the boundaries of the land described therein.

19. REFINANCING

- 19.1 The Lender shall have a right of first opportunity to finance or arrange any replacement financing for the Property, or for any further development of the Property or any improvements to be developed on the Property (herein collectively referred to as the "Permanent Financing").
- 19.2 In connection therewith the Borrower shall provide to the Lender in writing as soon as same is applicable a request for Permanent Financing together with all information necessary for the Lender

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to process such request and within a reasonable period of time after delivery to the Lender of all reasonably required information, the Lender shall be given a first opportunity to provide an offer of Permanent Financing.

- 19.3 The Lender shall also be given a continuing right of first refusal to provide an offer of Permanent Financing to the Borrower on terms substantially the same as any other written offer of financing received from a third party lender, which the Borrower is prepared to accept and copy of which the Borrower shall provide to the Lender.

20. SHARE CAPITAL OF THE BORROWER

The Borrower declares and represents that its authorized share capital is as follows:

Number of shares	Class	Shareholders
100	A Common Voting	Homburg Invest Inc.

21. SPECIAL PROVISIONS

21.1 INTENTIONALLY DELETED

22. CROSS-DEFAULT

The Borrower and Covenantor(s) hereby acknowledge that an act of default under the terms of this Loan or the Security will constitute an act of default under any other indebtedness or security they or any affiliated or related entity of either (including, but not limited to Castello Development Ltd. and Inverness Estates Development Ltd.) may have or have given in favour of the Lender or its affiliate or related party. Vice versa, an act of default under any other indebtedness or security of the Borrower and Covenantor(s) or any affiliated or related entity of either (including, but not limited to Castello Development Ltd. and Inverness Estates Development Ltd.) in favour of the Lender or its affiliate or related party will constitute an act of default under this Loan and the Security.

23. CROSS-COLLATERALIZATION AND APPLICATION OF PROCEEDS

The Security granted or to be granted to the Lender by the Borrower and Covenantor pursuant hereto, in addition to securing the Loan and any indebtedness or obligations of the Borrower and Covenantor to the Lender hereunder (the "Obligations"), shall also secure any and all indebtedness and obligations to the Lender or any party affiliated or related to the Lender of any party affiliated or related to the Borrower, including but not limited to Castello Development Ltd. and Inverness Estates Development Ltd. (the "Borrower Parties"), and of the Covenantor, in respect of other credit facilities advanced to any of the Borrower Parties (the "Other Obligations"). The Obligations shall also be secured by any security of whatsoever nature granted by any of the Borrower Parties to the Lender or an affiliated or related party in respect of the Other Obligations (the "Other Security"). Any proceeds of the sale or other disposition of the Security or the Other Security received or realized by the Lender or an affiliate or related party may be applied by the Lender to the Obligations or to any of the Other Obligations as the Lender may determine in its sole discretion. Notwithstanding the satisfaction by the Borrower or the Covenantor of the Obligations, the Security shall not be discharged by the Lender until the satisfaction by the Covenantor and the Borrower Parties of the Other

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Obligations. Likewise, notwithstanding the satisfaction by any of the Other Borrowers or the Covenantor of any of the Other Obligations, the Other Security shall not be discharged by the Lender until the satisfaction by the Borrower and the Covenantor of the Obligations. This agreement for cross-collateralization shall not otherwise limit or affect the Lender's rights and remedies under the Security or Other Security. Upon request by the Lender, any of the Borrower Parties or the Covenantor shall execute such further agreements or documents necessary to fully effectuate this cross-collateralization provision.

24. SIGNAGE

If the Property is vacant land, the Lender may post signage upon the Property, to not exceed 4 feet by 8 feet, stating, "Financing by ROMSPEN INVESTMENT CORPORATION", or words to that effect, and its address and phone number, during the term of the loan or any portion thereof.

25. ADVERTISING BY LENDER

The Lender may, in its advertising describe and/or picture the Property without identifying the Borrower. The cost of the said advertising shall be paid by the Lender.

The Borrower agrees that Lender may advertise the availability of the within mortgage investment to its potential investors by providing details of the same, by any means whatsoever including but not limited to, letter, fax, e-mail and posting on its website.

26. APPLICABLE LAW

The terms and conditions of this Commitment as well as all other documents relating to the execution of the transactions provided for by this Commitment shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the Borrower and any and all Covenantor(s) hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

27. AMENDMENT


The terms or requirements of this Commitment or any security may not be waived or varied orally, or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and the Borrower; provided, however, that the Lender may unilaterally extend the date for return of this Commitment or receipt of any documentation upon written notice to the Borrower.

28. ASSIGNMENT BY BENEFICIAL OWNER AND/OR BORROWER

None of the beneficial owner, the Borrower or the Covenantor shall assign their rights and obligations pursuant to the Commitment, and/or the security required by the Commitment in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole and absolute discretion.

29. MORTGAGE REGISTRATION

It is understood that neither the preparation nor the registration of any of the documents contemplated herein shall bind the Lender to advance the funds or any unadvanced portion thereof, it being agreed that the advance of funds or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

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30. ENUREMENT

This Commitment shall enure to the benefit of the Lender and its successors and assigns and be binding upon the heirs, personal representatives and permitted successors, and assigns of the Borrower, and the Covenantor including any successors by virtue of any amalgamation or other corporate reorganization and including any trustee in bankruptcy.

31. CONFIDENTIALITY

The Borrower and Covenantor acknowledge and agree that the terms and conditions recited herein are confidential between the Borrower, the Covenantor and the Lender. The Borrower and Covenantor agree not to disclose the information contained herein to a third party without the express consent of the Lender.

32. ASSIGNMENT AND SYNDICATION

The Borrower hereby acknowledges that this Commitment, when accepted, and any security in furtherance thereof may be assigned by the Lender, or monies required to be advanced may be syndicated by the Lender from time to time, provided that such assignee or syndicate participant is of reputable character. The Borrower and Guarantor agree to fully cooperate with the Lender upon request in order to facilitate such assignment and syndication.

33. CREDIT AUTHORIZATION AND CONSENT TO DISCLOSURE

The Lender may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to any Borrower, or Covenantor, the Property or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower and/or Covenantor (and each Borrower and Covenantor hereby irrevocably consents thereto):

- (a) to any other Lender or investor who has an interest in the Loan;
- (b) to any proposed purchaser or subsequent owner of the Loan including any subsequent or proposed Lender and their respective third party advisors and agents, such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources;
- (c) to the public or any private group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;
- (d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;
- (e) to any governmental authority having jurisdiction over any sale, syndication or securitization of the Loan or any trade of any interest therein;
- (f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and
- (g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower and Covenantor hereby consents to the Lender obtaining all information as may be necessary from all available sources as to the creditworthiness of each Borrower and/or Covenantor and acknowledges that the Lender may collect or come into possession of personal

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information relating to certain individuals either comprising or otherwise connected with the Borrower and/or Covenantor which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower and Covenantor acknowledges and agrees that such personal information may be used by Lender in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing the Lender may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower and/or Covenantor or any related individual. Each Borrower and Covenantor for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by the Lender and represents and warrants that it has full power and authority to give such consent and authorization.

34. MATERIAL ADVERSE CHANGES

In the event that at any time either before the advance of funds under the Loan and/or while any indebtedness remains outstanding pursuant to the Loan, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Covenantor or concerning the Lands or the financial condition and responsibility of the Borrower or any Covenantor or in the event that the Lender discovers any material adverse change in the value of the Lands or the financial status of the Borrower or any Covenantor or any lessee on which the Lender relied upon in making any advances pursuant to the Loan, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Covenantor or Lessee (as applicable) within 30 days after written notification thereof by the Lender to such Borrower or such Covenantor or lessee, the Lender shall be entitled to decline to advance any funds pursuant to the Loan and at its option terminate this Commitment or in the event that any funds have already been advanced, to declare any and all amounts advanced together with interest thereon and any costs incurred by the Lender to such date, to be forthwith due and payable.

35. ENTIRE AGREEMENT

This Commitment, together with its schedules and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the subject matter of this Commitment and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the Commitment provided for herein except as specifically set forth in this Commitment and the Borrower's application relating thereto.

36. SCHEDULES

The following documents marked "X" are attached as schedules to this Commitment and form a part hereof:

X	Schedule A	Schedule of Security
X	Schedule B	Standard Charge Terms and Conditions
X	Schedule C	Certificate of Identification
X	Schedule D	Pre-authorized debit form for automatic deduction from bank account of Borrower to which must be attached a specimen cheque

Initials.....
Initials.....

	Schedule E	Specimen of an irrevocable letter of credit to be remitted to the Lender for the Performance Deposit
X	Schedule F	Tenant Acknowledgment
X	Schedule G	Certified Rent Roll (or a certified rent roll in a form acceptable to the Lender)
	Schedule H	Draw Request
	Schedule I	Draw Certificate
X	Schedule J	Tax Waiver Side Letter
X	Schedule K	Subordination and Non-Disturbance Agreement
X	Schedule L	Insurance Requirements
X	Schedule M	Certificate of Independent Legal Advice and/or Representation
X	Schedule N	Subordination and Standstill Agreement
	Schedule O	Sample form of Architect's Certificate of Opinion
	Schedule P	Deficiency and Completion Agreement

37. DATES OF EXPIRY

- 37.1 The Security documents shall be executed and delivered to the Lender's solicitors for registration no later than three (3) business days prior to the Advance Date and the advance of funds must take place no later than the Advance Date.
- 37.2 If on or before the date specified in Section 37.1 the security documents provided to the Borrower or its solicitors have not been delivered for registration and the advance of the proceeds of the Loan has not been disbursed by the Advance Date, the Lender may, at any time thereafter, in its sole discretion, terminate its obligations under the terms of this Commitment and/ or the Security and may retain the Standby Deposit as liquidated damages.
- 37.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Security documents are to be executed and registered and/or the date by which the Loan is to be disbursed or any of the other time periods contained in this Commitment. Time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

38. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No advance, either singularly or collectively,

Initials... *P*.....
 Initials... *[Signature]*.....

shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.

The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

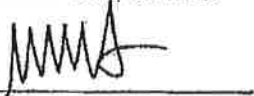
39. COUNTERPART

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Agreement. Counterparts may be executed either in original or faxed form and the parties adopt any signature received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

ROMSPEN INVESTMENT CORPORATION

By:

Name:
Title:

A handwritten signature in black ink, consisting of several vertical strokes followed by a horizontal line and a small flourish.

I have authority to bind the corporation.

Initials.....
Initials.....

Handwritten initials in black ink, appearing to be 'RS' or similar, written over the printed lines.

ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this 9th day of December, 2009.

BORROWER(S)

Churchill Estates Development Ltd.

Per: [Signature]
Name: Gordon Lawlor
Title:

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation.

I/We have the authority to bind the Corporation.

COVENANTOR(S)

The Covenantor hereby accepts the terms and conditions of this Commitment and hereby agrees to guarantee, jointly and severally and unconditionally, all obligations of the Borrower with respect to the Loan.

Homburg Invest Inc.

Per: [Signature]
Name: J.R. Stoltz
Title: Premier and COO
I/We have authority to bind the Corporation.

Per: _____
Name: _____
Title: _____
I/We have the authority to bind the Corporation.

Initials [Signature]
Initials [Signature]

SCHEDULE A
Churchill Estates
 Legal Description of Units

Legal Unit No.	Suite		Parking 1			Parking 2			Parking 3			Storage	
	Municipal Address	Unit Factor	Legal Unit	Unit Factor	Legal Unit	Legal Unit	Unit Factor	Legal Unit	Unit Factor	Legal Unit	Legal Unit	Unit Factor	Legal Unit
1	101	165	109	20								129	1
2	102	134	123	20								130	1
3	103	171	98	20								131	1
7	203	163	121	20	122	20						133	1
8	204	162	101	20	102	20						134	1
10	206	137	87	20								153	1
11	301	137	95	20								128	1
15	305	181	93	20	94	20						156	1
16	401	137	80	20								171	1
18	403	216	71	20	72	20						170	1
20	405	163	113	20	114	20						164	1
24	504	224	78	20	79	20						168	1
25	601	137	88	20								165	1
28	604	224	74	20	75	20						160	1
29	701	137	86	20								163	1
30	702	147	67	20	68	20						154	1
32	704	224	44	20	45	20						162	1
33	801	137	83	20								151	1
35	803	224	73	20	85	20						136	1
36	901	137	46	20								132	1
37	902	384	104	20	105	20						145/146	1
38	903	224	103	20	118	20						147	1
Parking Stalls for Sale			47										
			48										
			51										
			62										
			63										
			120										
Handicapp Stalls			53										
			84										
			116										
			117										
Car Wash Bay			119										