

NO : 500-11-041305-117

SUPERIOR COURT
District of MONTREAL

**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-2 :

CHURCHILL SECURITY DOCUMENTS

ORIGINAL

BD 3477

N/réf : 300964-18/131425-1001

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**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

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MORTGAGE

Made at the City of Calgary, in the Province of Alberta, as of the 17th day of December, 2009 in pursuance of "The Land Titles Act".

CHURCHILL ESTATES DEVELOPMENT LTD.

hereinafter referred to as the "Mortgagor" or the "Borrower", being registered as owner of an estate in fee simple in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed hereon in those certain pieces of land situate in the Province of Alberta, being composed of the lands and premises more particularly described in Schedule "A" annexed hereto and forming a part hereof, which lands are jointly hereinafter sometimes referred to as the "lands" or the "said lands" or the "mortgaged property" or the "mortgaged premises", all of which terms shall be deemed to include all improvements now or hereafter made thereon, in consideration of the sum of **TEN MILLION FIVE HUNDRED THOUSAND (\$10,500,000.00) DOLLARS** of lawful money of Canada being the principal sum advanced or to be advanced from time to time to the Mortgagor by **ROMSPEN INVESTMENT CORPORATION**, 162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5, who and whose successors and assigns are hereinafter included in the expression the "Mortgagee", the receipt of which sum the Mortgagor hereby acknowledges, covenants with the Mortgagee: ✓

1. That the Mortgagor shall pay to the Mortgagee in lawful money of Canada, the principal sum lent to the Mortgagor as aforesaid with interest thereon at the rate hereinafter provided for, as follows:
 - (a) Interest only calculated and compounded monthly, not in advance, as well after as before maturity of this mortgage until paid at the Interest Rate, as hereinafter defined, on the aggregate of the amount from time to time advanced computed from the respective date of such advances shall become due and be paid on the day of the first advance (the "Payment Commencement Date") and thereafter on the same day each and every subsequent month, until the whole of the principal sum and all other sums secured hereunder are due and paid provided that the Mortgagee following the date of the last advance at its option may establish an interest adjustment date on the first or fifteenth day of each month;
 - (b) The principal sum secured hereunder and all interest accrued thereon shall be due and paid on the earlier of:
 - (i) the date of demand by the Mortgagee, provided that the Mortgagee agrees not to make demand before January 1, 2011 unless the Borrower is in default hereunder; or
 - (ii) January 1, 2011 (the "Maturity Date");

In the event that the Mortgagor fails to repay the principal and interest outstanding on the Maturity Date or any renewal thereof agreed to by the Mortgagee, the Mortgagee may, at its sole discretion, extend the mortgage for a period of one (1) month from the Maturity Date or any renewal thereof agreed to by the Mortgagee, 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 Indebtedness has not been repaid or renewal has not been finalized within this one (1) month period, then there will be no further extensions.

The interest rate applicable will be determined by the Mortgagee on the first (1st) Banking Day of the month in which the Maturity Date occurs.

"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 Maturity Date or any renewal thereof agreed to by the Mortgagee, 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.

The Mortgagor covenants to pay interest in lawful money of Canada on the principal sum, all as aforesaid and further covenants to pay the Moneys (as hereinafter defined). That for the purposes of this mortgage:

- (c) "Commitment Letter or "Lending Agreement" means the agreement existing between the Mortgagor and the Mortgagee as set out in that certain Offer of Mortgage Financing December 8, 2009, as it may be amended from time to time, under which credit facilities are provided by the Mortgagee to the Mortgagor;
- (d) "Indebtedness" shall be interpreted in its most comprehensive sense, and without limiting its generality, shall include any and all advances at any time and from time to time made by or on behalf of the Mortgagee to or on behalf or on account of or at the direction of the Mortgagor, and all debts, obligations or liabilities of the Mortgagor to or in favour of the Mortgagee or for which the Mortgagee may become responsible, whether direct, contingent or otherwise, present or future, insured or not, voluntary or involuntary, matured or not, liquidated or unliquidated, and whether the Mortgagor may be liable individually or jointly with others, and whether as principal or surety, and whether recovery upon such Indebtedness may be or hereafter become barred or unenforceable, and whether incurred by or arising from agreement or dealings between the Mortgagee and the Mortgagor or others or by or from any agreement or dealings within or outside the country with any third party or however otherwise incurred, and all interest, commissions, costs, including without limitation legal costs as between the Mortgagee and its solicitor, charges and expenses of every nature and kind whatsoever, which may be incurred, arising from or relating to the Indebtedness or the Security by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor;

- (e) "Interest Rate" means, subject to contrary provisions in section 1 above and to the terms of the Commitment Letter, Nine and three-quarters (9.75%) percent per annum calculated and compounded monthly, not in advance;
- (f) "Moneys" means the Indebtedness and all other sums due, owing or payable or which may become due, owing or payable under the Commitment Letter, any of the Security, this Mortgage or otherwise;
- (g) "Security" means any documents other than this Mortgage now held or hereafter held by the Mortgagee, as security relating to the Moneys or any other liabilities or obligations of the Mortgagor to the Mortgagee.

PROVIDED the Mortgagor is not in default of any of its covenants hereunder, the Mortgagor shall have the right, on any payment date, to prepay the whole or part of the amount secured hereunder upon at least thirty (30) days written notice and payment of an additional amount equal to one month's interest on the amount prepaid, as compensation to the Mortgagee.

- 2. That save as hereinafter described, the Mortgagor will pay when and as same fall due, all taxes, rates, liens, charges, encumbrances or claims (hereinafter sometimes referred to as "taxes") which are or may be or become charges or claims against the mortgaged premises, on or in respect of this mortgage. The Mortgagor shall pay to the Mortgagee on each date on which a payment is due hereunder an additional amount estimated by the Mortgagee required to pay the full amount of taxes when they next become due. The Mortgagor further covenants and agrees to transmit to the Mortgagee the tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by him and to provide evidence of payment within thirty (30) days of the due date for payment.

Should the Mortgagor become in default of its obligation in this Paragraph 2, the Mortgagee shall have the right itself to pay the taxes and the amount so paid, as aforesaid, by the Mortgagee shall be secured hereby and shall (together with interest thereon at the mortgage rate) be a charge on the mortgaged premises, and shall bear interest at the mortgage rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded repayable on the next ensuing instalment (whether principal or interest).

- 3. That the Mortgagee may, without further authority and from time to time as the Mortgagee may desire, make advances of principal monies to be secured under this mortgage in:
 - (a) An amount or amounts, which when added at the date next ensuing upon which taxes become due and payable to those portions of the then paid up monthly instalments under Paragraph 2, will be sufficient to pay and discharge the taxes;
 - (b) An amount or amounts sufficient to defray interest accrued hereunder and unpaid from time to time; and
 - (c) An amount or amounts equal to interest on account of the principal sum hereunder calculated from the date of advance to the first day of the first month following the date upon which an advance was made;

and upon making such advances, will have the right to apply such advances for the purpose described in this Paragraph 3 for which they were advanced. Nothing herein shall obligate the Mortgagee to make the advances in this Paragraph 3 described.

4. That the Mortgagor shall pay to the Mortgagee interest as aforesaid and all interest on becoming overdue shall be forthwith treated, as to payment of interest thereon, as principal and shall bear interest thereon at the aforesaid rate computed with rests and compounded at each interest date as well after as before maturity of this mortgage and all such interest shall be a charge on the mortgaged premises; and in the event of non-payment of any of the monies hereby secured at the time herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, pay interest at the said rate from day to day on the same.
5. That the Mortgagor shall forthwith insure and keep insured during the continuance of this security the mortgaged property together with such other insurance required by the Mortgagee, all as more particularly set out in section 13 of the Schedule of Additional Provisions.

All such insurance shall:

- (aa) be carried in a company or companies to be approved by the Mortgagee;
- (bb) be in a form acceptable to the Mortgagee; and
- (cc) where applicable, grant permission for partial occupancy;
- (dd) provide that the insurer will neither terminate or alter the policy to the prejudice of Mortgagee except by registered letter giving notification of thirty (30) days.

The loss for all such policies shall be solely made payable to the Mortgagee as first loss payee respecting the lands with the Mortgagee's mortgage clause affixed to each policy by the insurer. The Mortgagor shall pay all premiums and sums of money necessary for such purpose as the same shall become due, and shall not do anything which might cause the policy to be voided, and does hereby assign and deliver to the Mortgagee the policy or policies of insurance and all renewal receipts and renewals thereto appertaining and will deliver evidence of renewal to the Mortgagee at least fifteen (15) days prior to the expiration of any policy.

The Mortgagor shall maintain, at all times, a sufficient amount of insurance to meet the requirements of any "stated amount co-insurance clause" contained in any policy of insurance, so as to prevent it from becoming a co-insurer under the terms of such policy. The Mortgagor will, in compliance with the provision of section (a) of this paragraph 5, arrange that the insurance which is in effect subsequent to the completion of construction is to be subject to the customary "stated amount co-insurance clause" of insurers and shall, in this regard, file values as required under these clauses.

In the event of any breach of the foregoing covenants respecting insurance the Mortgagee may, at its option, effect such insurance on behalf of and at the cost of the Mortgagor, and at the option of the Mortgagee, the whole of the monies hereby secured remaining unpaid shall forthwith become due and payable. Forthwith on the happening of any loss or damage as aforesaid (notwithstanding any law, equity or statute to the contrary, and in particular, the Alberta Insurance Act and The Fire Prevention (Metropolis) Act, 1774 (14 Geo. 3 C.78), all rights and benefits of the Mortgagor thereunder being hereby expressly waived) the Mortgagor, at the expense of the Mortgagor, will furnish all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and any such insurance monies received by the Mortgagee:

- (i) shall, if the Mortgagee is not in default hereunder, be applied in repairing or rebuilding the said premises; and

- (ii) if the Mortgagor is in default hereunder may, at the option of the Mortgagee, be applied in repairing or rebuilding the said premises, or be applied to the payment of the monies hereby secured (whether or not any amount is then due) in such manner as the Mortgagee may determine or be paid to the Mortgagor or any person appearing by the registered title to be the owner of the said lands or partly in one way and partly in another.

This provision shall be in addition to any statutory covenants implied in this mortgage.

That pending application of any insurance monies, the said monies shall be deemed to form part of the lands and shall be subject to the charges created by this mortgage.

The Mortgagor hereby irrevocably appoints the Mortgagee as attorney on its behalf to do all acts and things on behalf of and in the name of the Mortgagor to settle all insurance claims and to receive the proceeds of all monies payable under any insurance policy and to give effectual receipts therefor, and in so doing, the Mortgagee shall have no liability to the Mortgagor for any act so done by the Mortgagee.

- 6. That all erections, buildings, machinery, plant and improvements whatsoever, including furnaces, boilers, water heaters and all plumbing, air-conditioning, ventilating and heating equipment, elevators, escalators and lifts, carpets, electric light fixtures, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, which are now or which shall hereafter be put upon the mortgaged premises, are or shall thereafter be deemed to be fixtures and a part of the realty and the security for the monies hereby secured, even though not attached otherwise than by their own weight. The Mortgagor shall not commit any act of waste thereon, and shall at all times during the continuance of this security the same repair, maintain, restore, mend, keep, make good, finish, add to and put in order. In the event of any loss or damage thereto or destruction thereof the Mortgagee may give notice to the Mortgagor to repair, rebuild or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice. If the Mortgagor fails to so repair, rebuild or reinstate the same within such time, such failure shall constitute a breach of covenant hereunder and thereupon the mortgage monies shall, at the option of the Mortgagee, become immediately due and payable without demand by the Mortgagee upon the Mortgagor. The Mortgagee may repair, rebuild or reinstate the mortgaged premises at the cost of the Mortgagor and charge all sums of money determined by the Mortgagee to be properly paid therefor to the mortgage account, all notwithstanding any law, equity or statute to the contrary, and in particular, The Alberta Insurance Act and The Fire Prevention (Metropolis) Act, 1774 (14 Geo. 3 c.78), all rights and benefits of the Mortgagor thereunder being hereby expressly waived. This provision shall be in addition to any statutory covenants implied in this mortgage.
- 7. That the Mortgagor further covenants and agrees with the Mortgagee that:
 - (a) The Mortgagor has good title to the said lands free from all encumbrances (save as endorsed hereon);
 - (b) The Mortgagor has the right to mortgage the lands;
 - (c) On default the Mortgagee shall have quiet possession of the lands free from all encumbrances (save as endorsed hereon);
 - (d) The Mortgagor shall execute such further assurances of the lands as may be requisite;

(e) The Mortgagor has done no act to encumber the lands (save as endorsed hereon).

8. That the Mortgagor shall not:

- (a) lease (other than in accordance with the terms of this mortgage), sell, convey, transfer, mortgage or otherwise dispose of the mortgaged property or any part thereof at any time during the currency of this mortgage to a purchaser, transferee or assignee (save for sales of individual lots as specifically permitted by the Commitment Letter);
- (b) Alter the use of the within mortgaged premises from that originally contemplated;
- (c) if the Mortgagor is a corporation, allow any change of ownership of the capital stock of the corporation, whether legal or beneficial, from that disclosed to the Mortgagee at the time of acceptance of the Commitment Letter;
- (d) Register against the lands and premises a mortgage or other charge other than notified by memorandum underwritten or endorsed herein,

without the written consent of the Mortgagee first had and obtained, which consent the Mortgagee may not unreasonably or arbitrarily withhold.

9. a) That in the event the Mortgagor shall make a sale or other voluntary or involuntary disposition of the said lands at any time during the currency of this mortgage, subject to any agreement by the Mortgagee to partially discharge as the condominium units are sold, the Mortgagor shall procure the execution and delivery by the purchaser of an agreement with the Mortgagee whereby such permitted purchaser assumes an undertaking to pay the monies owing under this mortgage according to the terms hereof and to be bound by, observe and perform all covenants, agreements, conditions, stipulations and provisions herein contained or implied, and to attorn and to become a tenant of the Mortgagee of the said lands under the terms of the attornment clause set out in this mortgage, and in default of the execution and delivery of such agreement by the purchaser, all monies then remaining owing under this mortgage shall in addition to any other remedy available to the Mortgagee hereunder, at the option of the Mortgagee, become immediately due and payable together with one month's additional interest as set out in section 1.
- b) Notwithstanding the above, the Mortgagor shall be entitled to partial discharges of this Mortgage on the sale of condominium units in accordance with the provisions of the Commitment Letter.

10. That in the event of non-payment of the mortgage monies or any part thereof at the time of falling due of same under the terms of this mortgage, or in the event of non-payment of interest or of any further amounts as provided for in this mortgage, or in the event of default or apprehended default being made in any of the covenants, agreements, provisos or stipulations otherwise expressed or implied herein or in the Commitment Letter or if the Mortgagor shall become bankrupt or insolvent or shall be subject to the provisions of The Bankruptcy Act, The Companies' Creditors Arrangement Act, The Winding-up Act or any other Act for the benefit of creditors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction, or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, or upon the registration of any builders' lien against the said lands, which lien remains undischarged for a period of thirty (30) days after notice of the registration thereof is given to the Mortgagor, or

if any buildings or other improvements being erected on the said lands are allowed to remain unfinished, abandoned or left vacant, or if construction of the improvements ceases for a period of more than thirty (30) days (all of which shall constitute an "Event of Default"):

- (a) The Mortgagee at its option may, at the expense of the Mortgagor, and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;
- (b) The Mortgagee may send or employ an inspector to inspect and report upon the value, state and condition of the mortgaged premises and a solicitor to examine the report upon the title to the same;
- (c) The Mortgagee may enter into possession of the mortgaged premises and whether in or out of possession collect the rents and profits therefrom, and make any demise or lease of the said premises or any part thereof for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised before or after and subject to any such demise or lease;
- (d) The Mortgagee at such time or times as it may deem necessary and without the concurrence of any other person through its servants, agents or contractors may enter upon the said lands and may make such arrangements for repairing or putting in order any buildings or other improvements on the mortgaged premises, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands as it may deem expedient, all costs, charges and expenses incurred by the Mortgagee in so doing, including allowances for the time and service of any agent of the Mortgagee or other person appointed for the above purposes or in connection therewith shall be secured hereby and shall (together with interest thereon at the mortgage rate) be a charge on the mortgaged premises, shall bear interest at the mortgage rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the next ensuing instalment (whether for interest or principal);
- (e) The Mortgagee may at such time or times as it may deem necessary and without the concurrence of any other person, through its servants, agents or contractors, may enter on the said lands and proceed to complete the construction of the said building or buildings or other improvements either according to the plans and specifications approved by the Mortgagee, or according to other plans, specifications or design as the Mortgagee in its absolute discretion shall elect, and with the forces of the contractor or contractors engaged by the Mortgagor or under the construction contract or construction contracts entered into by the Mortgagor, or others, as the Mortgagee in its absolute discretion shall elect, all costs, charges and expenses of every nature incurred by the Mortgagee in so doing, including allowances for time and services of any agent of the Mortgagee or other person appointed for the above purposes or in connection therewith shall be forthwith payable to the Mortgagee, shall be secured hereby and shall (together with interest thereon at the mortgage rate) be a charge on the mortgaged premises, shall bear interest at the mortgage rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the next ensuing instalment (whether for interest or principal);
- (f) The Mortgagee shall have full power, right and license to enter, seize and distrain upon the mortgaged premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the mortgage monies as

shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent;

- (g) The Mortgagee may sell and dispose of the mortgaged premises with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the mortgaged premises; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this mortgage may be exercised; and any notice may be effectually given by delivering such notice or mailing such notice by single registered mail to the Mortgagor at the address of the Mortgagor shown hereinafter; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the mortgaged premises hereunder, and the Mortgagee may sell, transfer and convey any part of the mortgaged premises, on such terms of credit or part cash and part credit secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained therefor, and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any monies until the same shall be actually received in cash; and sales may be made from time to time on parts of the mortgaged premises to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make any stipulations as to title or evidence or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for any loss occasioned thereby; and for any such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case of any sale held by the Mortgagee under and by virtue of the laws of the Province of Alberta under the power of sale herein contained shall prove abortive, the Mortgagee may take foreclosure proceedings in respect of the said lands in accordance with the provisions of the laws of the Province of Alberta in that regard; and in the event of any deficiency on account of monies secured by this mortgage remaining due to the Mortgagee after realizing all of the said lands by sale or otherwise then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the rate aforesaid;
 - (h) The whole of the unpaid balance of the mortgage monies, interest and all other amounts due hereunder or under the Commitment Letter shall, at the option of the Mortgagee, become due and payable;
 - (i) The Mortgagor agrees that the Mortgagee may exercise one or all of the remedies set out in this paragraph 10 without prejudice to its rights to pursue other or additional remedies and that the choice of one remedy shall not constitute an election of remedies.
11. That notwithstanding anything contained herein to the contrary, the improvements now erected or to be erected within, upon or under the said lands (including without limitation any fixed improvements) (hereinafter referred to as the "improvements" or the "said improvements") shall form part of the security for the full amount of the monies secured by this mortgage. *The Borrower represents and warrants that no portion of the Mortgage will be used for the supply of any services or for any erection, installation, addition, removal, construction, renovation, alteration, or repair to the mortgaged property or to any building, structure or works thereon.*

12. That the giving and taking of this Mortgage shall in no way merge or affect any other security or securities that may have been, or that may hereafter be given in respect of any amounts secured by this Mortgage or any part thereof, or impair or affect any such security or securities or any remedy thereon, and all rights or remedies which the Mortgagee now has or may hereafter have against the Mortgagor or any other person or entity are hereby reserved, and the Mortgagor agrees that the taking of a judgment or judgments under any of the covenants or agreements herein contained or under any such security or securities or the entering into any arrangement (including the granting of time), compromise, release or discharge or the termination of any cause, claim or right whatsoever by the Mortgagee with the Mortgagor or any other person or entity, to the exclusion of the Mortgagor or any other person or entity, whether prejudicial or beneficial to any one or more of them, shall not operate as a merger of such covenants and agreements or affect the rights or remedies of the Mortgagee under the said covenants herein contained or under any other such security or securities, or of the Mortgagee's security herein by way of a charge against the mortgaged premises, or affect the Mortgagee's right to interest at the rate prescribed herein on any amounts owing to the Mortgagee under the covenants contained in this Mortgage, or under any other security or securities, it being understood and agreed that interest at the rate prescribed herein shall run and be included and payable on any Judgment or other proceedings taken herein and that any such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until such judgment shall have been fully paid and satisfied.
13. That the Mortgagee may at any time release any part of the mortgaged premises, or any of the covenants and agreements herein contained, or any collateral security, either with or without any consideration therefor, and without being accountable for the value thereof, or for any money except what is actually received, and without thereby releasing or affecting any other of the mortgaged premises or any of the other covenants or agreements herein contained or releasing any surety or other security, and no person shall have any right to require the mortgage monies to be apportioned.
14. The mortgage shall take effect forthwith upon execution of these presents. That should the Mortgagee advance the said principal sum or any part thereof at any future date or dates, the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided.
15. That:
 - (a) The Mortgagee or agent of the Mortgagee may at any time and from time to time enter upon the said lands to inspect the said lands and buildings and other improvements thereon and to inspect the books of the Mortgagor, insofar as they relate to the Lands, make extracts therefrom and generally conduct such examination of the books of account of the Mortgagor, insofar as they relate to the Lands, as the Mortgagee may deem fit;
 - (b) The Mortgagee shall not by virtue of these presents be deemed a mortgagee in possession of the mortgaged premises and shall be liable to account for only such rents as actually come into its hands less proper collection charges in respect thereof and that the Mortgagee shall apply such rents to the principal, interest or other charges due hereunder and if the Mortgagor is not in default under any covenant, proviso or agreement contained herein the Mortgagee shall pay to the Mortgagor the excess of such rents collected over the amounts which will be due to the Mortgagee hereunder (as estimated by the Mortgagee) during the portion of the term to which such rents relate;

- (c) The Mortgagor within ten (10) days after receipt of a request to do so, shall certify to the Mortgagee or any person designated by the Mortgagee the amount of principal then due hereunder, the date to which interest is paid, that it has no right of a set-off against the monies due hereunder, or, if it has such a right of set-off, the amount thereof and that there have been no amendments hereof or if there have been any such amendments specifying them;
 - (d) All improvements shall be situate wholly within the boundaries of the mortgaged property;
 - (e) Any improvements constructed on the said lands have been constructed in accordance with and in due compliance with the requirements of all regulatory authorities having jurisdiction in that regard and that any improvements to be constructed shall only be constructed in strict accordance with plans and specifications first approved by the Mortgagee and to standards acceptable to the Mortgagee;
 - (f) The Mortgagor shall not use the mortgaged premises or permit them to be used for a purpose other than that disclosed to the Mortgagee in the Commitment Letter without the consent of the Mortgagee;
 - (g) All management fees, construction management fees and development fees paid to the Mortgagor or to persons associated or affiliated with the Mortgagor, as those terms are used in the Alberta Business Corporations Act, shall be subject to the prior approval of the Mortgagee in its sole and absolute discretion.
16. That all Solicitor's, Inspector's, Consultant's (including the Architect's), Valuator's, Surveyor's and other fees and expenses for drawing and registering this mortgage and for examining the mortgaged premises and the title thereto, and for making or maintaining this mortgage a first charge on the mortgaged premises (save as endorsed hereon) or incurred as a result of default hereunder or of endeavouring to collect with or without suit any money payable hereunder, or of taking, recovering or keeping possession of the said lands, and generally in any other proceeding, matter or thing taken or done to protect or realize the security or any other security for this loan, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes, rates or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the mortgaged premises, including, without limitation, the cost of completion of construction of the said improvements notwithstanding that the costs thereof may exceed the principal sum secured hereunder, and in inspecting, leasing, managing or improving the mortgaged premises or in maintaining, repairing, restoring or completing the mortgaged premises, including the price or value of any goods of any sort or description supplied to be used on the mortgaged premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs, as between solicitor and client, and also an allowance for the time, work and expenses of the Mortgagee, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise shall be added to and become part of the principal sum secured hereby and shall (together with interest thereon at the mortgage rate) be a charge on the mortgaged premises, shall bear interest at the mortgage rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the next ensuing instalment (whether for interest or principal).

17. That in the event of the mortgage monies advanced hereunder, or any part thereof, being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged, and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this mortgage or of any claim so paid off shall be final and binding upon the Mortgagor.
18. That the Mortgagee shall not be charged with any monies receivable or collectible out of the mortgaged premises or otherwise except those actually received, and all revenue of the said premises received or collected by the Mortgagee from any source other than payment by the Mortgagor may at the option of the Mortgagee be retained in a suspense account or used in maintaining or insuring or improving the mortgaged premises, or in payment of taxes or other charges against the mortgaged premises, or applied on the mortgage account, and the Mortgagee shall not be under any liability to pay interest on any sums in a suspense account.
19. That any discharge of this mortgage shall be prepared by the solicitor of the Mortgagee and the Mortgagee shall have a reasonable time after receipt of payment in full within which to have prepared and to execute such discharge, and a tender of the mortgage monies shall not entitle the Mortgagor to receive such discharge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee, and all legal and other expenses for the preparation and execution of such discharge shall, if allowed in law, be borne by the Mortgagor.
20. That all payments to be made to the Mortgagee shall be made to **Romspen Investment Corporation**, at 162 Cumberland Street, Suite 300, Toronto, Ontario M5R 3N5 or at such other address at which the Mortgagee shall require payment to be made. All payments under this Mortgage shall be made before 1:00 o'clock Toronto time on any day on which the payment is made. In the event the payment is made after 1:00 o'clock on any particular day, it is understood and agreed that the said payment will be deemed to have been made on the next business day following the date on which payment is made. All payments made by mail shall be deemed received on the day and at the time of actual delivery to the Mortgagee at the address at which the Mortgagee shall require payment to be made; provided however that any payments made by mail and actually delivered to the Mortgagee after 1:00 o'clock on any particular day shall be deemed to have been made on the next business day following the date on which payment was actually received.
21. That for better securing the punctual payment of the mortgage monies the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the mortgaged premises at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of instalments, and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of The Bankruptcy Act or shall take the benefit of any statute relating to the bankrupt or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder enter upon the mortgaged premises, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

22. That if this mortgage is subordinate to that certain prior mortgage or mortgages referred to by the Memorandum of Encumbrances set out in Schedule "C" annexed hereto and forming a part hereof (which prior or other mortgage is in this Paragraph 22 collectively and individually referred to as the "Prior Mortgage"), then with respect to the Prior Mortgage, the Mortgagor covenants that it is not now in default nor will it default in observance or performance of any of the covenants, agreements, provisos and stipulations expressed or implied therein and agrees:
- (a) to request the mortgagee of the Prior Mortgage to forthwith send to the Mortgagee by personal delivery or by post, copies of all notices which the mortgagee of the Prior Mortgage may send to the Mortgagor pertaining to any default under the Prior Mortgage or pertaining to any other matter of which the Mortgagor should be notified, and the Mortgagor shall forthwith deliver or cause to be delivered to the Mortgagee copies of any notices which it may receive from the mortgagee of the Prior Mortgage or otherwise with respect to the Prior Mortgage;
 - (b) to perform and carry out all of the covenants and agreements which the Mortgagor has pursuant to the provisions of the Prior Mortgage, agreed to observe, perform and carry out;
 - (c) that default on the part of the Mortgagor under the provisions of subparagraphs (a) or (b) hereof shall constitute default under this mortgage;
 - (d) that on default on the part of the Mortgagor under the provisions of subparagraphs (a) or (b) hereof or, without limiting the generality of the foregoing, the Mortgagor making default in any of its obligations under the Prior Mortgage, then, notwithstanding anything herein otherwise expressed or implied, the Mortgagee shall have the right, at its option, but shall not be obligated, to pay on account of the Prior Mortgage, any or all of the amount owing with respect thereto, and any such amount so paid by the Mortgagee shall be secured hereby and shall (together with interest thereon at the Interest Rate) be a charge on the mortgaged premises, shall bear interest at the Interest Rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the date for payment of the next ensuing installment (whether for interest or principal);
 - (e) for the purposes of tendering any arrears or other sums payable to a holder of a Prior Mortgage, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies to the holder of the Prior Mortgage in the name of and on behalf of the Mortgagor. In this regard the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Mortgage together with the statutory right of redemption given to the Mortgagor by the provisions of the Law of Property Act of Alberta. It is the intention of the Mortgagor and the Mortgagee that the Mortgagee shall have the same rights and powers as the Mortgagor under and pursuant to the terms of the Prior Mortgage so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Mortgage into good standing once a default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the said Prior Mortgage, but only to the extent hereinbefore stipulated. Nothing herein shall create an obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

23. That the waiver by the Mortgagee of the performance of any covenant, proviso, condition or agreement herein contained or implied, shall not abrogate such covenant, proviso, condition or agreement or be a waiver of any subsequent breach of the same.
24. That no extension of time given or alteration of interest rate or alteration of principal repayments made by the Mortgagee to the Mortgagor or its assigns or any one claiming under it or any other dealing by the Mortgagee with the owner of the said lands shall in any way prejudice or affect the rights of the Mortgagee against the Mortgagor or any other person.
25. That without prejudice to any rights of the Mortgagee against the Mortgagor or any other persons liable for the payment of the monies hereby secured, this mortgage may be renewed by an agreement in writing at, before or after maturity, for any term, with or without a change in the rate of interest notwithstanding that there may be subsequent mortgages or encumbrancers. It shall not be necessary to register any such agreement in order to retain priority of this mortgage provided, however, that the Mortgagee may at any time, at its option, register a caveat under and by virtue of such renewal agreement. Nothing herein shall obligate the Mortgagee to renew or extend this mortgage.
26. That the Mortgagee, without the consent of the Mortgagor, may assign in whole or in part the debt hereunder, this mortgage and any security collateral to this mortgage.
27. That the Mortgagor and each of the parties providing a guarantee as more particularly set out in the Commitment Letter (hereinafter jointly called the "Guarantor") shall deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days following the end of each fiscal year throughout the currency of this mortgage, a true and complete copy of all financial statements for the fiscal year then ended of the Mortgagor and Guarantor. Included in the financial statements of the Mortgagor and Guarantor shall be statements of income and operating expenses in respect of the improvements. The Mortgagee will be included in the mailing list of all published reports of the Mortgagor and Guarantor. The Mortgagee shall be allowed whenever it deems necessary to enter upon the offices or premises of the Mortgagor and Guarantor and inspect the books and records thereof in relation to the within property and make abstracts therefrom and generally conduct such examination of books and records as it may deem fit.
28. That the Mortgagor further covenants and agrees with the Mortgagee as follows:
 - (a) The Mortgagor acknowledges that it has been advised by its counsel as to the meaning of Sections 49 and 52 of The Expropriation Act, Revised Statutes of Alberta, 2000, and being fully aware that under the terms of the said Act the Mortgagee may be restricted to recovering the market value of this mortgage at the date of any expropriation, the Mortgagor hereby waives the provisions of Sections 49 and 52 of The Expropriation Act and further waives any provisions which may be enacted and in force from time to time in replacement of or in addition to the provisions of the said Sections 49 and 52 of The Expropriation Act;
 - (b) In the event that the said lands, or any part thereof which are secured by this mortgage are condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects this mortgage security or any collateral security therefor, the full amount of the principal and interest and any other monies secured by this mortgage then outstanding, shall, at the election of the Mortgagee be deemed to become due and payable in full on the day before the said lands were expropriated and interest shall accrue

thereon, at the aforesaid rate, until the Mortgagee has been paid in full and the Mortgagor shall be estopped from denying otherwise;

- (c) The Mortgagor will pay or cause to be paid to the Mortgagee, upon the request of the Mortgagee and from any expropriation the whole of the proceeds thereof and if the Mortgagee elects to accelerate the term of the mortgage pursuant to subparagraph (b) above, together with such additional funds as will retire the full amount of the principal and interest and any other monies then outstanding hereunder;
 - (d) That the Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the said lands or any part thereof, will notify the Mortgagee of such proceedings;
 - (e) Any monies awarded by an order of the Surface Rights Board with respect to all or any part of the said lands to the extent of the full amount of the indebtedness upon this mortgage and obligation secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns.
29. That the Mortgagor, being aware of the provisions of the Law of Property Act of Alberta, being Chapter L-7 of The Revised Statutes of Alberta, 2000, as amended, whereby it is provided that in all cases, EXCEPT where a mortgage is given by a corporation, in any action brought upon any mortgage of land, the remedy of the Mortgagee is limited to the land alone, and no action shall lie on the covenant for payment contained in such mortgage, and that any waiver or release given of the rights, benefits or protection under and by virtue of the relevant provisions of the said Law of Property Act is against public policy and void, the said Mortgagor, BEING A CORPORATION does expressly agree with the Mortgagee that in the event of any default in the payment of indebtedness secured hereunder or otherwise howsoever and/or in any other security held by the Mortgagee, then the Mortgagee may proceed against the Mortgagor upon its covenant for payment, in accordance with the terms hereof, and may realize on any and all securities held by it, simultaneously or otherwise, as it in its absolute discretion may decide.
30. (a) The Mortgagor warrants that to the best its knowledge:
- (i) the mortgaged premises and the improvements thereon are free of any Hazardous Materials on, under or within;
 - (ii) no underground storage tanks system has ever been constructed, exists, or remains in use in connection with the mortgaged premises;
 - (iii) the mortgaged premises and its existing and prior uses comply and at all times did comply with, and the Mortgagor is not in violation of, and has not violated in connection with the ownership use, maintenance or operation of the mortgaged premises and the improvements thereon and the conduct of business related thereto, and applicable Environmental Laws;
 - (iv) the Mortgagor and the tenants (if any) of the mortgaged premises have operated the mortgaged premises and the improvements thereon and thereunder and have handled, used, stored, treated, shipped and disposed of all Hazardous Materials in strict compliance with all applicable Environmental Laws so that the mortgaged premises and the improvements thereon and thereunder are at all times suitable for the intended uses thereof at the time of entering into this mortgage;

- (v) none of the Mortgagor, its tenants, or any other person, including but not limited to prior owners, occupants and tenants of the mortgaged premises, have received any notice or advice of any enforcement action arising from the existence, release, emanation, discharge, leakages or seepage or escape from, through or under the mortgaged premises any Hazardous Materials in breach of Environmental Laws;
 - (vi) no condition exists, as to any parcel of property contiguous with or in close proximity to the mortgaged premises and which would require disclosure pursuant to the foregoing warranties if such other parcel or parcels of property were included in the mortgaged premises.
- (b) The Mortgagor shall cause to be conducted environmental assessments, audits and other inspections with respect to the mortgaged premises and the business of the Mortgagor and the obligation of the Mortgagee to advance funds hereunder shall be subject to the Mortgagee receiving reports satisfactory to the Mortgagee in its sole discretion and subject to the Mortgagee being satisfied in its sole discretion that there are no environmental matters that are adverse to the value of the mortgaged premises or the business of the Mortgagor.
- (c) The Mortgagor represents, covenants and warrants in favour of the Mortgagee, its successors and assigns, that:
- (i) neither the Mortgagor, nor any other person, will permit any Hazardous Materials to be placed, held, located, or disposed from, in, on, under, above or at the mortgaged premises;
 - (ii) the Mortgagor will operate its business and assets in accordance with all applicable Environmental laws and will not cause or permit any activities on the mortgaged premises which directly or indirectly could result in the mortgaged premises or any adjacent property, air, or water being contaminated with Hazardous Materials;
 - (iii) the Mortgagor will permit the Mortgagee to conduct (at Mortgagor's expense) inspections, appraisals, assessments and audits of all or any of the Mortgagor's records, business and assets at any time and from time to time to ensure compliance with the Mortgagor's covenants herein;
 - (iv) The Mortgagor will provide written notice to the Mortgagee immediately upon the Mortgagor becoming aware that the mortgaged premises or any adjacent property, water or land is being or has been contaminated with Hazardous Materials or if there has been any breach of any applicable Environmental Laws.
- (d) The Mortgagor hereby indemnifies the Mortgagee, its officers, directors, employees, agents and its shareholders and agrees to hold each of them harmless from and against any losses, liabilities, damages, costs, expenses and claims of every nature and kind whatsoever relating to any Hazardous Materials placed, held, located or disposed of in, on, under or from the mortgaged premises including without limitation, the cost of defending and/or counterclaiming or claiming against third parties in respect of any action (all on the basis as between a solicitor and his own client on a full indemnity basis) and any cost, liability or damage arising out of any action against the Mortgagee or a

settlement of any action entered into by the Mortgagee (with or without the consent of the Mortgagor) which may be paid or incurred with respect to, or as a direct or indirect result of the presence in, on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the mortgaged premises or into or upon the land, the atmosphere or any water course, body of water, or wetland, of any Hazardous Materials as a result of a breach by the Mortgagor of its covenants herein set out or the breach of any Environmental Laws.

- (e) The provisions hereof shall survive the satisfaction and release of the security for, and payment and satisfaction of, the indebtedness and liability of the Mortgagor to the Mortgagee pursuant to this mortgage and shall also survive realization on the security by way of order absolute for foreclosure.
 - (f) For the purpose of this mortgage:
 - (i) "Hazardous Materials" means any hazardous substance or any pollutant or contaminant, toxic or dangerous waste, substance or material;
 - (ii) "Environmental Laws" means any laws now or hereafter in force with respect to Hazardous Materials.
31. That each and every term, covenant and condition contained in the Commitment Letter and each and every undertaking of the Mortgagor contained in every other instrument, security, document or charge delivered to the Mortgagee pursuant to the terms of the Commitment Letter, shall be deemed to be contained herein to the same extent and effect as if recited herein in full.
32. In the event of any conflict between any provision(s) contained in this Mortgage and in any one or more of the securities which are collateral to this Mortgage or in the Commitment Letter giving rise to this Mortgage, the Mortgagee shall have the right to elect the provision(s) that is to apply and upon such election, the provision(s) as elected by the Mortgagee, shall apply.
33. Default under any prior or subsequent loan of the Mortgagor or any Guarantor to the Mortgagee shall constitute a default under this loan and default under this loan shall constitute default under any prior or subsequent loan of the Mortgagor and any Guarantor to the Mortgagee.
34. It is specifically acknowledged and agreed that it is the intention that the within Mortgage may secure a revolving line of credit up to the maximum principal sum of TEN MILLION FIVE HUNDRED THOUSAND (\$10,500,000.00) DOLLARS and shall be a continuous charge notwithstanding the balance owing hereunder may be fluctuating and even may, from time to time and at any time, be or have been reduced to a nil balance and notwithstanding monies advanced may be repaid and further advanced as made and shown from time to time and such continuous mortgage and charge shall be security for the principal sum, interest and other charges due and owing hereunder from time to time. The Mortgage (being a mortgage that provides for a revolving line of credit up to a specific principal sum) shall obtain priority in accordance with Section 104 of The Land Titles Act for all advances and obligations.
36. That when the context makes it possible the word "Mortgagee" wherever it occurs in this mortgage shall include the successors and assigns of the Mortgagee and where applicable the mortgage insurer, its successors and assigns, and the word "Mortgagor" shall include the heirs, executors, administrators, successors and assigns of the Mortgagor respectively and the word "person" shall include any body corporate or politic; and the words in the singular include the

plural and words in the masculine gender include females and all covenants herein contained or implied are to be construed as both joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. Reference to any statute shall include any successor thereto.

37. That if the rate of interest payable hereunder is a variable rate of interest, reference to the "mortgage rate", "rate", "interest", "prescribed rate", "aforesaid rate" or similar terms, shall in the case of default by the Mortgagor, or in the case that the Mortgagor is liable to the Mortgagee for interest on any amount pursuant to the terms of this Mortgage, such words and phrases shall be deemed to be a reference to the rate of interest applicable to the principal sum secured hereunder on the date that interest commences to accrue hereunder, which rate of interest shall thereafter be varied on the same terms as the rate of interest applicable to the principal sum secured hereunder.
38. That if any provision of this mortgage or the application thereof to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this mortgage, or the application thereof to other circumstances shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law.
39. Schedules "A", "B" and "C" are incorporated into and form a part of this Mortgage.
40. The Mortgagor acknowledges that the Mortgagee is or may act as a Trustee for investors in this Mortgage and that the Mortgagor shall be under no obligation to disclose the identity of such investors or other particulars relating to such trust.

41. That for better securing to the Mortgagee repayment in the manner aforesaid of the Indebtedness and other Moneys, the Mortgagor hereby mortgages to the Mortgagee all its estate and interest in the lands above described.

IN WITNESS WHEREOF the Mortgagor has hereunto affixed its corporate seal duly attested by the hands of its proper signing officers duly authorized in that behalf the day and year first above written.

CHURCHILL ESTATES DEVELOPMENT LTD.

Per: _____

Per: _____ c/s

ADDRESS OF MORTGAGOR:

#32 Akerley Blvd., Dartmouth, Nova Scotia, B3B 1N1

THE UNDERSIGNED Guarantor hereby acknowledges the terms of this Mortgage the day and year first above written.

HOMBURG INVEST INC.

Per: _____

Per: _____ c/s

SCHEDULE "A"
LEGAL DESCRIPTIONS -

CONDOMINIUM PLAN 0713076

UNIT 1

AND 165 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 2

AND 134 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 3

AND 171 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 7

AND 163 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 8

AND 162 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 10

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 11

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 15

AND 181 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 16

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 18
AND 216 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 20
AND 183 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 24
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 25
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 28
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 29
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 30
AND 147 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 32
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 33
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 35
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 36

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 37

AND 384 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 38

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 44

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 45

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 46

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 47

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 48

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 51

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 67

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 68
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 71
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 72
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 73
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 74
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 75
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 78
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 79
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 80
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 83
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 85

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 86

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 87

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 88

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 93

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 94

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 95

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 98

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 101

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 102

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 103

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 104

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 105

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 106

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 109

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 113

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 114

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 118

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 120

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 121

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 122
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CONDOMINIUM PLAN 0713076
UNIT 123
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 128
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
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CONDOMINIUM PLAN 0713076
UNIT 130
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CONDOMINIUM PLAN 0713076
UNIT 131
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CONDOMINIUM PLAN 0713076
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CONDOMINIUM PLAN 0713076
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CONDOMINIUM PLAN 0713076
UNIT 134
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CONDOMINIUM PLAN 0713076
UNIT 136
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CONDOMINIUM PLAN 0713076

UNIT 145

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CONDOMINIUM PLAN 0713076

UNIT 146

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CONDOMINIUM PLAN 0713076

UNIT 147

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CONDOMINIUM PLAN 0713076

UNIT 151

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CONDOMINIUM PLAN 0713076

UNIT 153

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CONDOMINIUM PLAN 0713076

UNIT 154

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CONDOMINIUM PLAN 0713076

UNIT 156

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CONDOMINIUM PLAN 0713076

UNIT 160

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CONDOMINIUM PLAN 0713076

UNIT 162

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CONDOMINIUM PLAN 0713076

UNIT 163

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UNIT 164
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UNIT 165
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CONDOMINIUM PLAN 0713076
UNIT 168
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CONDOMINIUM PLAN 0713076
UNIT 170
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 171
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SCHEDULE "B"

SCHEDULE OF ADDITIONAL PROVISIONS

1. ADDITIONAL FEES

The following fees or any other fees, charges or costs, provided for herein, if not paid forthwith upon demand for payment being made, shall also constitute an Event of Default and shall be added to and become part of the debt hereby secured and shall bear interest at the rate set forth in this Lending Agreement.

(a) STATEMENT FEE

The Borrower shall pay for each mortgage statement requested by or on behalf of the Borrower or Covenantors and prepared and provided by the Mortgagee, a service fee of **\$200.00** plus applicable taxes.

(b) LATE PAYMENT FEE

The Borrower shall pay a late payment fee of **\$250.00** plus applicable taxes for each request made by the Borrower or Covenantors for mortgage payments that are late five (5) days or more.

(c) ENFORCE SECURITY FEE

In the event of an Event of Default, the Mortgagee may issue a Notice of Intention to Enforce Security under Section 244(1) of the Bankruptcy and Insolvency Act, in which event the Borrower shall pay a fee to the Lender of **\$750.00** plus applicable taxes.

(d) INSURANCE FEE

In the event that a certified copy of all policies of insurance on the Mortgaged Property have not been delivered to the Mortgagee within 14 days of either the cancellation of any policy of insurance, or any renewal thereof, or the Mortgagee requesting a copy of a policy of insurance, the Mortgagee shall be entitled to a service fee of **\$1,500.00** plus applicable taxes for each written inquiry which the Mortgagee makes to the Borrower, to an insurer or to an insurance broker pertaining to such cancellation or renewal, or resulting from the Borrower's non-performance of the within covenant. In the event that the Mortgagee arranges any insurance coverage with respect to the said mortgaged property, the Mortgagee in addition to the aforementioned service fee, shall be entitled to an additional service fee of **\$1,500.00** plus applicable taxes for arranging any replacement insurance coverage.

(e) DISHONoured CHEQUES FEE

In the event that any of the Borrower's/Mortgagor's cheques are not honoured when presented for payment to the bank or trust company on which they are drawn, the Borrower shall pay to the Mortgagee for each returned cheque a service fee of \$200.00 plus applicable taxes plus all bank charges as a liquidated amount to reimburse the Mortgagee for its administrative costs with respect to the same. In the event that a cheque has not been honoured by the Borrower's bankers and is not forthwith replaced by the Borrower, the Mortgagee shall be entitled to a further service fee of \$100.00 plus applicable taxes for each written request made as a result of the Borrower not forthwith replacing a dishonoured cheque.

(f) INSPECTION FEE

In the event that the Borrower requests an inspection of the Mortgaged Property to be made by the Mortgagee or the Mortgagee conducts an inspection after an Event of Default by the Borrower, or to preserve the security, then the Mortgagee shall be entitled to an inspection fee of \$1,000.00 plus applicable taxes for each such inspection.

2. DISCHARGE

Every partial discharge document shall be prepared by the Mortgagee or its solicitor, at a cost of the lesser of \$150.00 for each document or for each separate property. Discharge documents shall be delivered within a reasonable time after payment of the principal sum secured herein, together with accrued interest thereon, together with all outstanding fees and charges. Any payments received after 1:00 p.m. shall be deemed to have been received on the following banking day.

3. CHARGE DUE ON SALE OR FURTHER ENCUMBRANCE

In the event the Borrower sells, transfers or assigns the mortgaged property, or grants any further mortgage or encumbrance thereon without the prior written consent of the Mortgagee (such consent not to be unreasonably withheld), then, at the option of the Mortgagee, all monies hereby secured shall forthwith become due and payable. For greater clarity, the Borrower intends to secure a second mortgage on this mortgaged property with the consent of the Mortgagee. Where the Borrower is a corporation, the sale, transfer or any dealing with the shares of such corporation resulting in a change of control except pursuant to a testamentary will or the administration of an estate shall be deemed to be a sale or transfer. In the event that the Mortgagee consents to a transfer of the mortgaged property, the transferee will execute an agreement to assume the mortgage prepared by the Mortgagee at the Borrower's expense, which agreement will provide for the continued liability of the Borrower. The Borrower shall pay an assumption fee to be determined by the Mortgagee.

4. EXPROPRIATION

In the event that the mortgaged property or a substantial part thereof is expropriated by any government, government agency or government regulated entity, the Mortgagee shall, at its sole option, have the right to accelerate payment of the amounts secured by this Mortgage or any other security provided by the Borrower to the Mortgagee in connection with any amounts owing by the Borrower to the Mortgagee and all such amounts so secured by this Mortgage shall immediately become due and payable together with all interest and other amounts secured by this

Mortgage with interest thereon at the rate of interest provided in the Mortgage, until payment is made in full.

5. MORTGAGE NOT PAID WHEN DUE

In the event the Mortgage is not repaid in full or renewed on or before the Balance Due Date which is the last day of the term of the loan to the Borrower and is the date specifically described in Section 1(b) of the Mortgage; and mortgage payments continue to be delivered on a month to month basis to the Mortgagee, without a formal renewal agreement being executed between the Mortgagee and the Borrower, the Borrower acknowledges and agrees that it shall be subject to and shall pay the Mortgagee's extension or monitoring fee of one (1%) per cent of the outstanding principal balance on the balance due date which amount shall become due and payable on the 16th day following the Balance Due Date. If the said amount is not paid when due it shall be added to the principal balance of the mortgage and bear interest thereafter, at the rate of interest herein provided. The receipt by the Mortgagee of such payment shall not obligate the Mortgagee to renew the Mortgage and the Mortgage shall thereafter become due and payable at any time upon 15 days notice of demand for payment in full.

6. FUTURE RENEWAL OR AMENDMENT

The Mortgage and any security granted in connection therewith, including this Mortgage, may be renewed or amended by an agreement in writing with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers at the time of such renewal or amendment. It shall not be necessary to register any such agreement to retain priority for this Mortgage on such altered terms over any instrument registered subsequent to this Mortgage or other security granted by the Borrower although the Mortgagee may require same. Any such agreement shall be effectual and binding on the Borrower and any such subsequent encumbrancer and shall take priority against such subsequent encumbrancer immediately upon execution by the Borrower. The Borrower shall pay all legal and administrative costs of the Mortgagee incurred in connection with any such agreement. The Borrower acknowledges that the provisions of this paragraph shall not confer any right of renewal on the Borrower.

7. OBLIGATION TO REPAIR AND RIGHT TO INSPECT

The Borrower covenants and agrees to keep the mortgaged property in good condition and repair according to the nature and description thereof, and the Mortgagee and the Mortgagee's agents may, whenever the Mortgagee reasonably deems it necessary, enter on and in the mortgaged property for the purpose of inspecting the same and to make any necessary repairs, including majors repairs; provided that the Mortgagee shall first advise the Borrower in writing of such repairs to be undertaken five (5) business days prior to any repair being commenced. The costs of such repairs and inspections shall be added to the debt secured by this Mortgage and shall be a part of the additional Mortgage on the mortgaged property in priority to all other claims against the mortgaged property subsequent to this Mortgage, and shall be payable forthwith, and shall bear interest at the Interest Rate set forth in this Mortgage until paid in full.

8. POSSESSION UPON DEFAULT

Upon default in payment of principal or interest under the Mortgage or non-performance of any of the terms and conditions herein, and such default or non-performance not being remedied within thirty (30) days of notice being given, the Mortgagee may enter into and taken possession of the mortgaged property and proceed legally under the applicable laws of Alberta to become the owner of the mortgaged property or to obtain an Order of the Court against the Borrower and Covenantors.

9. PAYMENT OF OTHER CHARGES AND PERFORMANCE OF THEIR OBLIGATIONS BY THE LENDER

The Mortgagee may pay the amount owing on any encumbrance, priority or mortgage now or hereafter existing or which may arise or be claimed against the mortgaged property, and claiming priority over the Mortgagee's Mortgage, including any realty taxes, levies, or other rates on the said mortgaged property, and the Mortgagee may further pay all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the mortgaged property, and all solicitors' judicial and extra judicial fees or commissions for or in respect of the collection of any overdue installments or any other monies whatsoever payable by the Borrower under the Mortgage, such costs to be as between solicitor and its own client, whether any action or other judicial proceeding to enforce such payment has been taken or not; and the amount so paid and the expenses of remedying a default or payment of insurance premiums for fire or other risks or hazards or for realty taxes, or for work on or repairs to the mortgaged property or for utility charges, heating costs, collection costs and any other expenses, costs or any monies paid, any or all of which shall be added to the debt secured by the Mortgage on the mortgaged property and shall bear interest at the rate of interest provided in the Mortgage, which shall be payable forthwith by the Borrower to the Mortgagee, and in the event of the Mortgagee paying any amount of money on the security of the mortgaged property, the Mortgagee shall be entitled to all the rights, equities and securities of the persons, entity or entities so paid and the Mortgagee is hereby authorized to retain any assignment or discharge thereof, without registration, for any period even if it is a longer period than six months if the Lender deems it appropriate to do so. Furthermore, the Lender may after any such payment accelerate payment of the amounts secured by the Mortgage and all such amounts secured by this Mortgage shall immediately become due and payable together with all interest and other amounts secured by this Mortgage with interest thereon at the rate of interest provided in the Mortgage, until payment is made in full.

10. ASSIGNMENT OF RENTS, LEASES, ETC.

- (a) To further secure the indebtedness secured hereunder, the Borrower hereby assigns and transfers unto the Mortgagee all rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the mortgaged property or any part thereof (the "tenancies"), which may have been heretofore or may hereafter be made or agreed to, or which may be granted, it being the intention of the parties to establish an absolute transfer and assignment of all such rents, issues and profits under such tenancies and all the avails thereunder unto the Mortgagee. The Mortgagee however, until notice is sent to the tenants, acknowledges that the Borrower is entitled to collect the rentals of the mortgaged property.
- (b) The Borrower further covenants and agrees to execute and deliver at the request of the Mortgagee all further assurances and assignments with respect to such tenancies as the

Mortgagee shall from time to time request, and to do all other acts with respect to such tenancies as requested by the Mortgagee.

- (c) In the event that the Mortgagee collects any payments of rent as a result of the Borrower's default, the Mortgagee shall be entitled to receive from such rent a management and servicing fee of five per cent (5%) of gross receipts received by the Mortgagee which the parties acknowledge is a just and equitable fee, and which shall be in addition to any charges or expenses incurred by the Mortgagee including fees and disbursements paid by the Mortgagee to a management company, real estate company or like person or entity retained by the Mortgagee to assist it to recover rents.
- (d) The Borrower covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the mortgaged property in advance, and that no portion of the rents to accrue for any portion of the said mortgaged property have been or will be waived, released, reduced, discounted or otherwise discharged or compromised by the Borrower.
- (e) The Borrower will not do or omit to do any act which results in a breach of any tenancy in or upon the mortgaged property without the written consent of the Mortgagee.
- (f) The Borrower agrees that all leases, offers to lease, or lettings of the Mortgaged Property or any part thereof shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the mortgaged property, and provided further that the Borrower shall obtain the written consent of the Mortgagee prior to the execution of any lease, offer to lease, or any letting or tenancy agreement, such consent not to be unreasonably withheld.
- (g) Any entry upon the mortgaged property under the terms of this Mortgage shall not constitute the Mortgagee to be a Mortgagee in Possession in contemplation of law and the Mortgagee shall not become liable to account to the Borrower or to credit the Borrower with any monies on account of the Mortgage except those which shall come into its hands or into the hands of any agents appointed by it; and neither shall the Mortgagee be liable for failure to collect rents or revenues, it being agreed that the Mortgagee shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of rents and revenues, or any part thereof, and then only, subject to all appropriate deductions and payments made out of the rents and revenues received from the mortgaged property as herein provided; nor shall the Mortgagee be liable to remedy any environmental contamination of the mortgaged property or to indemnify any party on account of the need to remedy an environmental contamination.
- (h) This assignment is taken only as additional security and neither the taking of this assignment nor any act in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance or any covenants, obligations or liabilities under any lease, agreement to lease, letting or tenancy agreement.

11. APPOINTMENT OF RECEIVER

- (a) Any time after default hereunder the Mortgagee may in writing from time to time appoint a Receiver of the mortgaged property and may from time to time remove the said Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
- (i) To take possession of the mortgaged property and to collect revenues from the same and for such purpose to enter onto or into the mortgaged property and for such purpose to do any act and take any proceedings in the name of the Borrower or otherwise as it shall deem necessary.
 - (ii) To carry on or concur in carrying on the business of the Borrower, and to employ and discharge agents, workers, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the mortgaged property and to do any acts it deems appropriate for the carrying on of the business of the Borrower and the protection of the said mortgaged property.
 - (iii) To sell or lease or concur in the selling or the leasing of the mortgaged property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Borrower or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part of parts of the mortgaged property; and the Receiver may make any stipulations as to matters of title or conveyance or the commencement of title or otherwise, as it shall deem proper; and it may buy or rescind or vary any contract for the sale of any part of the mortgaged property and it may resell the same; and it may sell any of the mortgaged property on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole option to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither it nor the Mortgagee shall be accountable for or charged with any monies until actually received by them.
 - (iv) To make any arrangement or compromise which the Receiver may think expedient or otherwise in the interest of the Mortgagee and to consent to any modification or change in or omission from the provisions of this Mortgage and to exchange any part or parts of the mortgaged property for any other property suitable for the purposes of the Mortgagee and upon such terms as may seem expedient and either with or without payment or exchange of money or with or without regard to the equality of the exchange or otherwise.
 - (v) To borrow money to carry on the business of the Borrower and to charge the whole or any part of the mortgaged property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the mortgaged property in priority to this Charge.
 - (vi) To execute and prosecute all suits, proceedings and actions which the Receiver in its discretion considers necessary for the protection of the mortgaged property,

to defend all suits, proceedings and actions against the Borrower or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

- (vii) To execute and deliver to the purchaser of any part or parts of the mortgaged property, good and sufficient transfers for the same, the Receiver hereby being constituted the irrevocable attorney of the Borrower for the purpose of making such sale and executing such transfer, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Borrower, and all other persons claiming the said property or any part or parts thereof by, from, through or under the Borrower, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.

- (b) And it is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power shall be bound or concerned to see or inquire into whether any default has been made or continues, or whether any notice has been given, or as to the necessity or expediency of any stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or to the regularity of its proceedings, or the effect of not giving a notice that default has been made or continues, or that any required notice was not given, or that the sale is otherwise unnecessary, or improper or irregular; and notwithstanding any impropriety or irregularity or notice, or failure to give notice or the failure to do any act, shall not effect the effectiveness or propriety of any sale to a purchaser and such sale shall be deemed to be within the power of the Receiver and the Mortgagee and shall be a valid sale and the remedy if any of the Borrower, or of any party claiming by or under it, in respect of any alleged impropriety or irregularity whatsoever in any such sale shall be in damages only against a party other than the Purchaser.

- (c) The net profits of the business of the Borrower or the sale of the same and the net proceeds of the sale of the mortgaged property or any part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Mortgagee's Rights and subject to any Order Of a court of competent jurisdiction:
 - (i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - (ii) Secondly, in payment of all costs, charges and expenses payable under the Mortgage;
 - (iii) Thirdly, in payment to the Mortgagee of all interest and arrears of interest;
 - (iv) Fourthly, in payment of the principal sum owing under the Mortgage;
 - (v) Fifthly, in payment to the Mortgagee of any other fees, expenses and other monies remaining unpaid under the Mortgage; and
 - (vi) Sixthly, any surplus shall be paid to the Borrower; provided that in the event that any party claims a security interest against all or a portion of the surplus, the

Receiver shall make such disposition of all or a portion of the surplus to the claimant as the Receiver deems appropriate in the circumstances with the balance, if any then remaining, to the Borrower.

- (d) The Lender shall not be liable to the Receiver for its remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by its own gross negligence or willful default; and it shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Borrower and the latter shall be solely responsible for its acts and defaults and for its remuneration.
- (e) Nothing shall obligate the Mortgagee or the Receiver to take possession, control or manage any property which may be or contain a pollutant or contaminant or cause or contribute to a discharge, release or deposit of a substance contrary to any applicable environmental legislation or, the regulations thereunder. Provided further that the Receiver shall not be or deemed to be a successor employer of the Borrower or any employer in or upon the Mortgaged Property under any legislation or agreement.

12. POSTPONEMENT OF CLAIMS BY GUARANTOR

All indebtedness and liability, present and future, of the Borrower to the Covenantor is hereby assigned to the Mortgagee and postponed to the repayment of all the monies secured by the within Mortgage, and all monies received by Covenantor in respect thereof shall be received in trust for the Mortgagee, the whole without limiting or lessening the liabilities of the Covenantors under this guarantee, and this assignment and postponement is independent of the said guarantees and shall remain in full effect until repayment in full to the Mortgagee of the monies secured by the Mortgage notwithstanding that the liabilities of the Covenantors under the within guarantees may have been discharged or terminated. All Covenantors and the Borrower acknowledge the assignment to the Mortgagee as set forth herein provided that nothing shall impose upon the Mortgagee any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.

13. INSURANCE

- (a) The Borrower covenants and agrees, notwithstanding anything herein contained, that at all times during the term of this Mortgage, the Borrower shall maintain the following insurance coverage on all improvements on the Mortgaged Property and with respect to the Mortgaged Property in general, and where applicable, the business conducted by the Borrower on and in the Mortgaged Property in accordance with requirements of the Mortgage, including:
 - (i) "All Risk" coverage with "By-laws" coverage in an amount satisfactory to the Mortgagee and including the endorsements for conflict, encumbrance, fire department service charges, environmental risk, immediate repairs, loss of control, debris removal, permission to enter and repair, release and subrogation, re-instatement of loss and unearned premium, waiver of terms and conditions and joint loss agreement;

- (ii) where the mortgaged property is of a commercial or industrial nature, a comprehensive broad form boiler and machinery coverage on all electrical, mechanical and compression in an amount satisfactory to the Mortgagee;
 - (iii) comprehensive public liability coverage for personal injury, death, property damage or loss in an amount of not less than \$5,000,000 for each occurrence, or such other amount as the Mortgagee may stipulate in writing from time to time, for each occurrence; and
 - (iv) where a business is conducted at the Mortgaged Property or there are tenants thereon, the insurance policy shall include business interruption or rental loss coverage on an insurable gross rents basis sufficient to cover 100% of the greater of the fair market value of the rents payable by the aforesaid business in a property comparable to the Mortgaged Property or the actual gross annual rents payable for the Mortgaged Property and, where the rents are on a fully net basis, on the equivalent gross rents for the same period.
- (b) The Borrower covenants with the Mortgagee to:
- (i) pay all insurance premiums for all insurance coverage when such premiums are due and payable;
 - (ii) to maintain authorization with current and any subsequent insurer to provide the Mortgagee with any information concerning the insurance coverage.
- (c) The Borrower covenants with the Mortgagee that all insurance policies shall:
- (i) be endorsed to show the Mortgagee as a loss payee as the Mortgagee's interests may appear and such policies shall provide that any loss shall be payable to the Mortgagee as the Mortgagee's interest may appear;
 - (ii) be with an insurer or insurers acceptable to the Mortgagee, acting reasonably, and each such policy shall be signed by the insurer or insurers, or agents or brokers authorized to sign on behalf of each insurer;
 - (iii) be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to or less than the policy limit;
 - (iv) grant permission of partial occupancy and stipulate that reconstruction shall not be limited to the same site;
 - (v) include a provision that the insurer shall give the Mortgagee a minimum thirty (30) days written notice of any material alteration to or cancellation of the policy and a minimum ten (10) days advice as to the renewal of the policy prior to the renewal;
 - (vi) contain standard approved IBC "standard mortgagee" clauses in favour of the Mortgagee approved by the Mortgagee;
 - (vii) contain By-laws coverage satisfactory to the Mortgagee.;

- (d) Notwithstanding anything contained in the Lending Agreement or this Mortgage, the Borrower covenants and agrees with the Mortgagee to obtain and maintain such other form or forms of insurance, including environmental liability coverage, as the Mortgagee may deem prudent, acting reasonably, upon written request therefore made by the Mortgagee.
- (e) The Borrower covenants with the Mortgagee to, on written request made therefore, deliver to the Mortgagee, at the Borrower's expense, a certificate, opinion or other satisfactory report prepared by a competent appraiser or independent insurance consultant selected by the Mortgagee as to the sufficiency or otherwise of any insurance coverage, and as to the type and amount thereof.
- (f) The Borrower agrees that any deviation from the requirements set forth in the Lending Agreement and the Mortgage for insurance coverage must be approved by the Mortgagee in writing, such approval not to be unreasonably withheld.
- (g) The Borrower covenants that the Borrower shall, forthwith on the written request of the Mortgagee, provide the Mortgagee with a certified copy of every insurance policy aforesaid, and on request, copies of any and all receipts of payment of insurance premiums therefore and the Borrower acknowledges and agrees that the Mortgagee shall have a hypothec on the proceeds of all the aforesaid insurance policies for all these amounts.
- (h) The Borrower covenants that, forthwith on the happening of any loss or damage, the Borrower shall furnish to the Mortgagee, at the Borrower's expense, all necessary information and proofs of loss and do all necessary acts to enable the Mortgagee to obtain payment of the insurance proceeds.
- (i) Any insurance proceeds received may, at the Mortgagee's option, be applied to rebuilding, reinstating or repairing the mortgaged property or to be paid to the Borrower or any other person appearing by the registered title to be the owner of the mortgaged property or be applied or partly paid in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on account of the amounts secured by this Mortgage, whether due or not then due.
- (j) The Borrower acknowledges and agrees that in the event that the Mortgagee takes out insurance coverage in respect of the mortgaged property for the aforementioned specified risks, or any other risks the Mortgagee shall not be bound to insure the interest of any other person whatsoever, or to pay any insurance premium on any insurance policy, or be responsible for any loss arising out of any defect in any insurance policy or failure of any insurer to pay for any loss thereunder.

14. CONSTRUCTION LOAN

- (a) In the event that all or any portion of the monies secured by this Mortgage would, without the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the herein described mortgaged property the Borrower will diligently proceed to complete construction in accordance with plans and specifications approved by the Mortgagee (the "Construction Project:") and will forthwith provide to the Mortgagee such information relating to the mortgaged property and the construction as the Mortgagee may from time to time

request. The Borrower will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Borrower will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including without limitation municipal by-laws and, without limitation, the Borrower will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the municipality or other applicable government authorities. The Borrower will pay all expenses incurred by the Lender in retaining any cost consultant with respect to the Construction Project. The Borrower will comply with the requirements of an Owner under the Builders Lien Act (Alberta) (the "Act") and will, in particular, maintain any "Holdback Account" required to be maintained under the Act. Without in any way limiting any other rights and remedies of the Mortgagee, if any of the events of default set forth in Article 19 of this Schedule occur, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

- (i) enter upon the mortgaged property and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;
- (ii) discontinue any work commenced, or change any course of action undertaken, by the Borrower in respect of the Mortgaged Property or the Construction Project;
- (iii) at the Mortgagee's option enforce any construction contract made by the Borrower, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Borrower;
- (iv) engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;
- (v) pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Mortgaged Property or any part thereof, provided that the Mortgagee shall not be liable to the Borrower for the validity or correctness of any such claim or lien; and
- (vi) generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

The Mortgagee shall not be liable as a mortgagee in possession by virtue of taking any such action. Any money spent and liabilities incurred by the Mortgagee in taking any such actions shall be added to the Principal Sum, shall bear interest at the Interest Rate from the date so spent or incurred, shall be immediately due and payable by the Borrower to the Mortgagee, and shall be secured by this Mortgage.

- (b) The Borrower acknowledges and agrees that no steps taken by the Mortgagee to deal with the Construction loan as aforesaid shall constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in

contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Borrower that the purpose of the Mortgage is not to finance an improvement on the mortgaged property.

- (c) The Borrower shall be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the mortgaged property to justify the quantum of each advance made by the Mortgagee under this Mortgage. Notwithstanding that the Mortgage may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee shall not be responsible or liable to the Borrower or to anyone else where either there has been insufficient work done or material supplied to the Mortgaged Property to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.
- (d) Where the Borrower retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such persons or entities, the Mortgagee shall be entitled but not obliged to rely upon such person or entity to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Mortgaged Property, and the Mortgagee shall have no liability whatsoever to the Borrower or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such person or entity.

15. REALTY TAXES

- (a) Realty taxes shall mean and include all taxes, rates, levies and assessments of whatever nature or kind, including local improvement rates and any and all interest and penalties thereon.
- (b) At the Mortgagee's request, the Borrower in addition to the aforesaid payments of principal and interest, covenants and agrees to pay realty taxes as hereinafter provided; the Mortgagee shall estimate the amount of the realty taxes chargeable against the said Mortgaged Property payable in each year and the Borrower shall pay to the Mortgagee one-twelfth of the estimated annual amount together with the aforesaid payments of principal and interest in each and every month during the term of this Mortgage, commencing with the first payment date aforesaid and the Mortgagee shall apply such payments on account of the realty taxes so long as the Borrower is not in default under this Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of the realty taxes more often than yearly; provided, however, that if the Borrower shall pay any sum or sums to the Mortgagee to apply on the realty taxes, and if before the same shall have been so applied there shall be default by the Borrower in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payments of the principal and/or interest in default. In the event that the realty taxes actually charged for any one year, together with any interest and penalties thereon, exceed the estimated amount, the Borrower shall pay to the Mortgagee on demand the amount required to make up the deficiency; and if the Borrower desires to take advantage of any discounts or to avoid any penalties in connection with the payment of realty taxes, the Borrower may pay to the Mortgagee such additional amounts as are required for that purpose; and the Borrower shall transmit to the Mortgagee forthwith after receiving them, the assessment notices for the realty taxes upon the Mortgaged Property.

- (c) In the event that the Mortgagee does not collect realty taxes from the Borrower as aforementioned, the Borrower shall upon demand, deliver to the Mortgagee proof in a form satisfactory to the Mortgagee that the realty taxes have been paid in full for the prior calendar year, and if the proof of same is not delivered to the Mortgagee within 14 days of demand for the same having been made, the Mortgagee may in addition to any other rights contained in the Mortgage, charge a service fee of \$200.00 to the Borrower for each letter of demand mailed or delivered to the Borrower by the Mortgagee or on its behalf, for proof of payment of realty taxes, and the same for each enquiry made to the appropriate municipal realty tax department, which amount is a liquidated amount to cover the Mortgagee's administrative charges, and is not a penalty.
- (d) The Mortgagee may, unless payment has otherwise been made, deduct from the Mortgage advances, the amount necessary to pay the current year's realty taxes and an amount which together with the monthly tax payments to be made to and including April of the following calendar year, will be sufficient to pay all the taxes for the following calendar year.
- (e) No monies paid to the Mortgagee pursuant to the provisions of this section shall be held in trust for or bear interest to the credit of the Borrower.
- (f) In the event that the Borrower has not remitted realty tax installments to the Mortgagee in an amount enabling the Mortgagee to maintain the realty taxes on the Mortgaged Property in good standing, the Borrower shall at its own expense deliver to the Mortgagee on or before the 31st day of December in each year during the term of this Mortgage, or any renewal thereof, proof in a form satisfactory to the Borrower, such as a certificate of realty tax payment or cancelled cheques, that the realty taxes for the said calendar year have been paid in full. In the event that such proof is not delivered to the Mortgagee as aforementioned the Mortgagee shall be entitled to a service fee of \$200.00 plus applicable taxes for each request to the Borrower for such proof that is made by the Mortgagee acting reasonably, and further the failure to provide the aforementioned evidence shall constitute an act of default entitling the Mortgagee to pursue all legal remedies and to exercise any powers conferred by this Mortgage.
- (g) The within realty tax section is in addition to and without prejudice to the other provisions of the within Mortgage in regard to realty taxes.

16. POST-DATED CHEQUES

The Borrower covenants and agrees to provide the Mortgagee with a series of 12 post-dated cheques payable at par at any office designated by the Mortgagee, at the commencement of the within Mortgage and upon each yearly anniversary thereafter during the term of the Mortgage, which cheques shall be for the amount of the monthly payments provided in the within Mortgage and further provided, if requested by the Mortgagee, each cheque shall include a monthly installment on account of realty taxes in addition to the principal and interest installments due.

17. BANKRUPTCY AND INSOLVENCY

- (a) The Borrower hereby waives and releases any right that it may have to receive from the Mortgagee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada) or any successor or substitute section or legislation. This waiver and release shall not be deemed or interpreted to be a prior

consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act.

- (b) The Borrower hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Borrower acquired for or used in relation to any business carried on by the Borrower. The Borrower hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any person or persons for the purposes of taking possession of the Mortgaged Property as agent on behalf of the Borrower or otherwise or by taking possession of the Mortgaged Property itself pursuant to any rights that the Mortgagee may have with respect hereto shall not constitute the Mortgagee or any such person, a receiver within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (Canada) or any successor or substitute provision, and that any and all requirements of Part XI of that said Act as it may pertain to obligations of receivers shall not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or enforcement of this Mortgage or any other security held by the Mortgagee. The Borrower hereby acknowledges and agrees that no action shall lie against the Mortgagee as a receiver, manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) or any successor or substitute Federal or Provincial legislation, whether or not the Mortgagee had reasonable grounds to believe that the Borrower was not insolvent.
- (c) And the Borrower further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) or any successor or substitute Federal or Provincial legislation shall be entirely for the account of the Borrower. The Mortgagee shall be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the Bankruptcy and Insolvency Act (Canada) and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

18. RESIDENTIAL RENTAL PROPERTIES

- (a) The Borrower represents and warrants that with respect to such of the Mortgaged Property as may be residential rental property:
- (i) All rents charged and deposits taken with respect to the property or any part thereof are lawful rents pursuant to the Residential Tenancies Act (Alberta) and all required rebates have been paid;
 - (ii) No applications, investigations or proceedings have been commenced or made pursuant to the Residential Tenancies Act (Alberta) with respect to the property or any residential rental unit or units on the Mortgaged Property.
 - (iii) There are no outstanding orders or decisions made by the Province of Alberta or any board or commission with respect to the Mortgaged Property or any residential rental unit or units on the Mortgaged Property.

- (b) The Borrower agrees to comply with the terms of the Residential Tenancies Act (Alberta) as amended from time to time, and any legislation enacted in substitution thereof. In the event of breach of this covenant or in the event that any of the representations or warranties contained in this provision are false, the same shall constitute an Event of Default.

19. EVENTS OF DEFAULT

- (a) The Borrower covenants and agrees that notwithstanding any other provision in this Mortgage, the Mortgagee may deem this Mortgage to be in default in the event that the Borrower does or becomes subject to any of the following which is deemed to be an Event of Default:
- (i) fails to make a payment of a Monthly Installment and/or a Pro-Rated Tax Payment on a Payment Date in accordance with the payment provisions of this Mortgage;
 - (ii) fails to make any other payment required to be made under the Mortgage;
 - (iii) permits any other amount which is secured by this Mortgage, or any taxes, public utilities accounts or insurance premiums which are due and payable under this Mortgage, or otherwise due and payable by the Borrower and not in dispute, to remain unpaid after the Mortgagee has made written demand for payment thereof;
 - (iv) fails to insure the Mortgaged Property in accordance with the Mortgage;
 - (v) fails to observe or perform any covenant or agreement contained in this Mortgage;
 - (vi) makes any warranty or representation to the Mortgagee which is untrue in any material respect;
 - (vii) permits any lien, encumbrance or other claim capable of ranking in priority to the security created in favour of the Mortgagee to be recorded or registered against the Mortgaged Property which is not removed or satisfied in full within thirty (30) days of such recording or registration;
 - (viii) causes or permits any order to be made or any resolution to be passed or adopted, or any petition to be filed for the winding-up of the Borrower;
 - (ix) becomes insolvent, commits an act of bankruptcy, or if a petition in bankruptcy is filed against the Borrower which is not being disputed in good faith by the Borrower, or a proposal made by the Borrower under the Bankruptcy and Insolvency Act (Canada) is rejected by creditors;
 - (x) causes or permits a "stay order" to be issued pursuant to the Companies Creditors Arrangement Act (Canada) which prohibits the Lender from enforcing this Mortgage;

- (xi) is the subject of any execution, sequestration or any other judicial process, or any distress or similar process levied on the Mortgaged Property or against the Mortgagee which is not, in good faith, being disputed by the Borrower;
- (xii) fails or refuses to comply with any term, condition or proviso of the Mortgage or any other security required pursuant to it;
- (xiii) has made any material misrepresentation to the Mortgagee in any environmental proviso contained in the Mortgage or if there is any hazardous material, or environmental contamination, which, in the opinion of the Mortgagee, may reduce the market value of the Mortgaged Property;
- (xiv) commits or permits the commission of an event of default under any other security, priority or collateral security given or granted by it to the Mortgagee pursuant to the terms and conditions of the Mortgage;
- (xv) where the Borrower is a corporation, and there is a change in control of the Borrower without the prior written consent of the Mortgagee or the Borrower fails to maintain its corporate existence;
- (xvi) permits the termination or surrender of any Lease or tenancy agreement of the Mortgaged Property or any part thereof which has been assigned to the Mortgagee as collateral security, or permits any reduction in the term or rent of any such Lease or tenancy agreement without the prior written consent of the Mortgagee;
- (xvii) fails to negotiate with respect to, or renew, extend, modify or amend any Lease or tenancy agreement in good faith, acting as a prudent landlord;
- (xviii) neglects to keep the Mortgaged Property substantially in good condition and repair as aforesaid, or commits any act of waste, the determination of which the Mortgagee shall be the sole judge, acting reasonably, or allows any improvements on the Mortgaged Property to remain unfinished or without any work being done thereon for thirty (30) days;
- (xix) permits or causes waste to the Mortgaged Property or otherwise causes or permits, by any act or omission, the value of the Mortgaged Property to decline;
- (xx) abandons the Mortgaged Property or a substantial portion thereof, either physically or constructively, or otherwise leaves the Mortgaged Property vacant for more than ten (10) days;
- (xxi) fails to comply with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations (save and except for any such non-compliance which is, in good faith, contested by the Borrower with the Municipality or other body having jurisdiction until the final disposition thereof against the Borrower);
- (xxii) fails to comply with all applicable laws, regulations and by-laws which apply to the ownership, maintenance, repair, use and occupation of the Mortgaged Property;

(xxiii) commits or permits the commission of criminal activities on, in or under the Mortgaged Property.

(xxiv) fails to comply with any provision of any applicable law, regulation or governmental or quasi-governmental order or decree or the Mortgage;

(b) On the occurrence of any Event of Default, the Mortgagee may at its sole option accelerate payment of the amounts secured by this Mortgage and all such amounts secured by this Mortgage shall immediately become due and payable together with all interest and other amounts secured by this Mortgage with interest thereon at the rate of interest provided in the Mortgage, until payment is made in full.

(c) Every Event of Default entitles the Mortgagee to exercise any and all rights and remedies available to it.

(d) The Mortgagee may waive any Event of Default in writing at any time after the occurrence of such Event of Default; provided that any such waiver shall apply only to the particular Event of Default waived by the Mortgagee, and shall not operate as a general waiver or a waiver of any other or future Event of Default.

20. LENDING AGREEMENT

For the purpose of this Schedule, the Lending Agreement shall include any commitment to fund or to lend predating the Mortgage, including any document to which this Schedule has been attached.

21. RECOURSE

The Borrower covenants and agrees that on the occurrence of an Event of Default hereunder, the Mortgagee may, exact payment of all amounts due and exercise the rights granted to it under the Lending Agreement and the Mortgage and otherwise pursuant to the laws of Alberta.

22. SECURITY INTEREST IN CHATTELS

(a) All chattels, equipment, installations, erections, structures and improvements, fixed or otherwise, now or hereafter put upon the said Mortgaged Property and owned by the Borrower, including, but without limiting the generality of the foregoing, all drapes and curtains, lobby furniture, refrigerators, stoves, washers, dryers, heating equipment, air-conditioning and ventilation equipment, blinds, storm windows and doors, window screens, mirrors, shelving, railings, counters, cupboards, built-ins and the like, and all apparatus and equipment appurtenant thereto are and shall in addition to other fixtures be an accession to the freehold and a part of the realty, and shall be a portion of the security for the indebtedness contained in the Lending Agreement and the Mortgage.

(b) The Borrower covenants and agrees to execute and deliver to the Mortgagee, on demand, a security interest in all such chattels, furnishings, equipment, appliances and all other similar personal property owned now or in the future owned by the Borrower and situate in or about the Mortgaged Property. The form and content of such security interest shall be acceptable to the Mortgagee in its discretion. The Borrower agrees to pay all legal and other expenses incurred by the Mortgagee in connection with the registration of a financing statements under the Personal Property Security Act (Alberta) and replacement

or successor legislation and all other documents relating to the security interest and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charged hereunder, paid forthwith by the Borrower and treated as Additional Fees as provided in Section 1 herein.

23. SPOUSAL CLAUSE

The Borrower covenants that it or the owner from time to time of the said Mortgaged Property that is not a corporation, will advise and keep advised the Mortgagee as to whether the Borrower or owner from time to time is a spouse and, if so, the name of the spouse; and further will advise and keep advised the Mortgagee of any change in spousal status and will forthwith, upon request, furnish the Mortgagee with such evidence in connection with spousal status and the name of the spouse, as the Mortgagee may from time to time require or request.

24. STRATA LOT PROVISIONS

- (a) The Borrower shall deliver to the Mortgagee written notice of every meeting of the owners at least ten (10) business days prior to such meeting, such notice to specify the information required by law and declaration with respect to the giving of such notices.
- (b) The Borrower shall deliver to the Mortgagee copies of any or all of the strata corporation's current declaration, by-laws, regulations and rules and copies of all notices, minutes, resolutions, accounts, insurance policies, warranties, plans, list of assets of the strata corporation, all agreements relating to the management, operation, maintenance and repair of the Mortgaged Property, all financial records of the strata corporation relating to the operation of the strata corporation or the Mortgaged Property, budgets and other documents relating to the financial statements and to the affairs of the condominium corporation as the Borrower may receive from time to time, within ten (10) business days of the date that written notice is given to the Borrower requesting same.

25. INTEREST ONLY MONTHLY

In the event that the Mortgage provides for payment of interest only monthly, it is agreed that notwithstanding any reference to the interest rate being payable on a per annum basis, and notwithstanding any other provision herein contained, the parties hereto acknowledge that it is their intention and agreement that the interest shall at all times be payable, calculated and compounded monthly at a rate equal to one-twelfth (1/12) of the yearly rate as hereinbefore stated, and the Lender shall not be deemed to reinvest any monthly or other payments received hereunder.

26. FURTHER ASSURANCES

The Borrower shall execute such further assurances of the Mortgaged Property and execute and deliver such collateral security and do such further acts as the Mortgagee may require to further perfect and secure this Mortgage and, in the event of default, the Borrower shall execute and deliver such further assurances and do such further acts, at the Borrower's expense, as may be required by the Mortgagee.

27. VALIDITY OF PROVISIONS

If any provision of the Lending Agreement or the Mortgage is held to any extent invalid or unenforceable, such provision shall be deemed to be severed herefrom and the remainder of the Lending Agreement or the Mortgage, as the case may be, other than a provision which is held invalid or unenforceable, will be unaffected.

28. INTERPRETATION

- (a) In the event of any conflict or inconsistency between the terms and conditions of this Schedule and the provisions of the balance of the Mortgage, to the extent permitted at law, the terms and conditions most favourable to the Mortgagee shall take priority and be applicable.
- (b) Any reference in the standard mortgage terms forming part of this Mortgage to the Condominium Property Act (Alberta) shall be interpreted as a reference to the Condominium Property Act (Alberta) as amended from time to time. If all or a portion of the Property is now or hereafter part of a strata plan, then to the fullest extent permitted by law, the Borrower irrevocably authorizes the Mortgagee to exercise any right that the Borrower may have pursuant to the by-laws of the strata corporation formed by the owners of strata lots in such strata plan and any right that the Borrower may have pursuant to the Condominium Property Act (Alberta) by the Mortgagee shall not be obligated to exercise any such right and if the Mortgagee does not exercise any such right the Borrower may do so.
- (c) Without limiting the generality of any other obligation of the Borrower to the Mortgagee, the Borrower will comply with all of the Borrower's obligations relating to the Mortgaged Property under any applicable law including, without limitation, the Borrower's obligations under the Condominium Property Act (Alberta).
- (d) The taking of judgment or judgments on any of the covenants herein contained shall not operate as a merger of such covenants or affect the Lender's right to interest at the rates and times herein provided. Any such judgment shall provide that interest thereon shall be computed at the same rates and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (e) This Mortgage shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and each of the parties submits to the jurisdiction of the courts of Edmonton, Alberta with respect to this Mortgage.

SCHEDULE "C"

MEMORANDUM OF PERMITTED PRIOR ENCUMBRANCES

- 061 049 542 – Mortgage in favour of SNSPF Interim Finance B.V. (to be discharged)
- 061 049 543 – Caveat re: Assignment of Rents and Leases in favour of SNSPF Interim Finance B.V. (to be discharged)
- 071 347 398 – Restrictive Covenant
- 071 565 638 – Power of Attorney in favour of SNSPF Interim Finance B.V. (to be discharged)

DATED: the 17th day of December, 2009

CHURCHILL ESTATES DEVELOPMENT LTD.

TO:

ROMSPEN INVESTMENT CORPORATION

MORTGAGE

WITTEN LLP
Barristers & Solicitors
#2500, 10303 Jasper Avenue
Edmonton, AB T5J 3N6

File No: 100,082.030 JSL



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THIS INDENTURE made as of the 17th day of December, 2009.

By:

CHURCHILL ESTATES DEVELOPMENT LTD.

In Favour of:

ROMSPEN INVESTMENT CORPORATION

ASSIGNMENT OF LEASES AND RENTS

RECITALS

WHEREAS:

- A. **CHURCHILL ESTATES DEVELOPMENT LTD.** (in this Assignment collectively referred to as the "Borrower" or the "Assignor") is registered, or is entitled to become registered, as owner of an estate in fee simple of the lands described in Schedule "A" (the "Premises").
- A. The Assignor has agreed to deliver this Assignment in favour of **ROMSPEN INVESTMENT CORPORATION** (in this Agreement referred to as the "Lender" or the "Assignee") as additional security for the obligations of the Assignor under that certain Mortgage dated the 17th day of December, 2009 (in this Assignment referred to as the "Mortgage") in terms whereof the Assignor, inter alia, mortgaged the Premises to the Assignee to secure the repayment of the sum of **TEN MILLION FIVE HUNDRED THOUSAND (\$10,500,000.00) DOLLARS** with interest and other charges as are in the Mortgage provided;
- B. In accordance with the terms of the Mortgage, and as collateral security for the obligations of the Borrower under the Mortgage, the Borrower agreed to assign to the Lender all Leases or Agreements to Lease now or hereafter existing of the Premises or any part thereof (collectively and/or individually as the Lender may require "the Leases" and sometimes "Lease") and all of the rents reserved and payable and to become payable thereunder and all benefits and advantages to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSETH that in consideration of the advance of the Principal Amount or any portion thereof made by the Lender to the Borrower in accordance with and pursuant to the Mortgage, for other good and valuable consideration (the receipt and adequacy of which is hereby conclusively acknowledged by the Assignor) the Assignor agrees with the Assignee as follows:

1. ASSIGNMENT

The Assignor hereby grants, assigns, transfers and sets over unto the Assignee all of its present and future right, title and interest in and to the Leases and any and all renewals thereof, together with all rents and other considerations now or hereafter reserved and payable and to become payable under the Leases and any renewals thereof and every lease or tenancy or agreement to lease in substitution thereof, and all other benefits and advantages now or hereafter to be derived therefrom including the right in the event of default being made at any time by the Assignor in any of the covenants contained in the Mortgage and with or without legal action or by distress proceedings or otherwise as may be required to demand, collect, sue for, recover, receive and give receipts for rents and other considerations and also the full benefit of powers, covenants and provisos now or hereafter contained in the Leases with full power and authority to use the name of the Assignor, its successors and assigns, to enforce the performance of the said powers, covenants and provisos now or hereafter contained in the Leases and under this Assignment and the right to alter the terms of any one or more of the Leases.

2. EXCEPTION AS TO LAST DAY OF TERM AND PARTIAL DISCHARGES

- (a) Notwithstanding anything else herein contained, the last day of the term of each of the Leases (in this Assignment referred to as the "Residue") shall be excluded from the provisions of 1 above, provided that the Assignor shall stand possessed of the Residue upon trust to assign or dispose thereof as the Assignee may direct, and upon any further assignment of such of the Leases by the Assignee, the Assignor hereby appoints the Assignee its lawful attorney to execute all deeds or documents in its name, for the purpose of vesting the Residue unto and into the name of such subsequent Assignee;
- (b) The Assignee shall discharge any caveat respecting this Agreement from any portion of the Premises for which the Assignor is entitled to a partial discharge of the Mortgage.

3. RESTRICTIONS

- (a) Nothing herein contained nor the collection of any rents due under the Leases, nor any action taken by the Assignee as a result thereof, shall unless the Assignee shall otherwise require, be construed:
 - (i) as an assumption by the Assignee of any obligations, liabilities or covenants of the Assignor or any other person, now or hereafter contained in the Leases, and the Assignor notwithstanding the within assignment agrees if required by the Assignee to remain liable to (all of or any of) the tenants of the Leases (designated by the Assignee) for said obligations, liabilities and covenants, as contained in the Leases, and upon failure to enforce, carry out and perform the said obligations, liabilities and covenants, the Mortgage shall be deemed to be in default, and the powers of sale therein contained or contained in any of the security documents provided for therein, and/or any other remedies, which the Assignee may have on default thereunder may be enforced;
 - (ii) to create or to give rise to the relationship of mortgagee in possession between the Assignor and the Assignee or any other person interested in the Premises so as to render the Assignee in any way accountable or liable as mortgagee in possession, and the Assignee shall be liable to account only for such monies as

are actually received by it by virtue of these presents, less all proper costs of collection including any legal costs incurred by the Assignee and its solicitor, and the net amount of such monies as are actually received by the Assignee, in its sole discretion, may be applied on account of the monies (as defined in the Mortgage) due, payable or owing under the Mortgage or may be paid to the Assignor or any combination thereof.

- (b) Unless otherwise required by the Assignee, the Assignee shall not by reason of this Assignment or otherwise howsoever, be responsible or liable for the collection of any rents in whole or in part which may be payable from time to time under the Leases or for the non-performance of the covenants contained in the Leases on the part of the Assignor to be observed, kept and performed, nor shall the Assignee be held responsible or liable for failure to enforce any Leases.

4. COLLECTION OF RENTS

- (a) The Assignor may, until default under the Mortgage or under any security granted to the Assignee therefor or a breach of any covenant or proviso herein or therein contained, but not after such default, collect the rents reserved by the Leases as and when the same fall due, and the Assignor agrees that service by the Assignee of notice to any one or more of the lessees or tenants of the Leases that there has been such default or breach by the Assignor shall be sufficient proof thereof to them or any one or more of them, as the case may be, and each of them shall accept such notice as proof of the fact; and all rents shall after receipt of such notice be paid by each of said lessees or tenants unto the Assignee, and the Assignor hereby acknowledges that such payments shall operate as a discharge to each of said lessees or tenants of and in respect of the rents so paid.
- (b) Any rents or other monies reserved by the Leases and received by the Assignor shall if required by the Assignee be received by the Assignor in trust for the Assignee.

5. FURTHER COVENANTS

The Assignor further covenants, warrants and agrees with the Assignee that:

- (a) it will promptly and fully perform all covenants in the Leases on its part to be performed and will indemnify and save the Assignee harmless therefrom;
- (b) all existing Leases are good, valid and subsisting; that no default exists thereunder and there have been no modifications made or extensions given with respect thereto;
- (c) the rents reserved by all existing Leases have not and will not (nor will the rents reserved by any future Leases) be demanded, collected, accepted or paid in advance of the time for payment thereof, or other than in the manner provided in the Leases;
- (d) it will not alter or modify the terms of any of the Leases in any way, grant any concessions thereunder, consent to any assignment or sublease, discharge, surrender, terminate, cancel or assign the same or any part thereof without the consent in writing of the Assignee first had and obtained;

- (e) the Assignor is the absolute owner of all existing Leases, has not assigned, mortgaged, pledged, hypothecated or otherwise dealt with such Leases and there is no existing right of defence, set off or counterclaim on the part of the lessees or tenants thereof against the Assignor;
- (f) the Assignor shall be the absolute owner of all future Leases and shall not assign, mortgage, pledge, hypothecate or otherwise deal with such future Leases, except as herein provided;
- (g) if the premises demised by any one or more of the Leases shall become vacant before the monies payable or owing under the Mortgage are fully paid, the Assignor shall, upon occupation thereof by another tenant, execute such further assignments of such of said Leases and the rents payable thereunder as may be required by the Assignee and at the expense of the Assignor;
- (h) there is no outstanding dispute under any of the existing Leases between the Assignor and any other party thereto.

6. RECITALS

The Recitals are incorporated herein and form a part hereof.

7. SCHEDULES

Any Schedules attached hereto shall form a part hereof.

8. ABSOLUTE/REASSIGNMENT

This Assignment shall be deemed to be absolute and effective, unless otherwise required at any material time by the Assignee as to any one or more of the Leases. On repayment of all moneys secured under the Mortgage, this Assignment shall be of no further force and effect.

9. ADDITIONAL POWERS

In addition to the rights, powers and remedies granted to the Assignee hereunder, the Assignee shall have all of the additional rights, powers and remedies contained in the Mortgage which shall, with any modification necessary to give meaning and effect thereto, apply hereunder.

10. COPIES OF LEASES

The Assignor shall forthwith after the execution thereof, deliver to the Assignee a true copy of each existing and future Lease.

11. APPLICABLE LAW

This Assignment shall be construed and enforced in accordance with, and the rights of the Assignor and Assignee shall be governed by, the laws of the Province of Alberta. The Assignor hereby irrevocably attorns to the jurisdiction of the Courts in the Province of Alberta.

12. WORDS, PHRASES, SUCCESSORS AND ASSIGNS

It is agreed that the term "Assignor" or "Borrower" and "Assignee" or "Lender" and references thereto shall include the successors and permitted assigns of the Assignor and the successors and assigns of the Assignee respectively; words importing the singular number shall include the plural and vice versa; words importing the use of any gender shall include all genders; and "person" or words importing persons shall include natural persons, firms, partnerships, corporations, regulatory bodies and entities, legal or otherwise, where the context so requires.

IN WITNESS WHEREOF **CHURCHILL ESTATES DEVELOPMENT LTD.** have hereunto affixed its corporate seal by its proper signing officers duly authorized in that behalf, on the day and year first above written.

CHURCHILL ESTATES DEVELOPMENT LTD.

Per:  _____

Per: _____ c/s

THIS IS **SCHEDULE "A"** ATTACHED TO AND FORMING PART OF ASSIGNMENT OF LEASES AND RENTS DATED FOR REFERENCE the 17th day of DECEMBER, 2009 BETWEEN **CHURCHILL ESTATES DEVELOPMENT LTD.** AS ASSIGNOR AND ROMSPEN INVESTMENT CORPORATION

LAND DESCRIPTION

SCHEDULE "A"
LEGAL DESCRIPTIONS

CONDOMINIUM PLAN 0713076
UNIT 1

AND 165 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 2

AND 134 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 3

AND 171 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 7

AND 163 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 8

AND 162 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 10

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 11

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 15

AND 181 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 16

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 18

AND 216 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 20

AND 183 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 24

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 25

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 28

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 29

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 30

AND 147 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 32

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 33

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 35

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 36

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 37

AND 384 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 38

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 44

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 45

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 46

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 47

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 48

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 51

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 67

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 68

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 71

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 72

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 73

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 74

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 75

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 78

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 79

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 80

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 83

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 85

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 86

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 87

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 88

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 93

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 94

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 95

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 98

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 101

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 102

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 103

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 104

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 105

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 106

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 109

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 113

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 114

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 118

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 120

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 121

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 122

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 123

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 128

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 129

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 130

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 131

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 132

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 133

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 134

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 136

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 145

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 146

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 147

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 151

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 153

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 154

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 156

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 160

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 162

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CONDOMINIUM PLAN 0713076

UNIT 163

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CONDOMINIUM PLAN 0713076

UNIT 164

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 165

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 168

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 170

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 171

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Dated on the 17th day of December, 2009

By:

**CHURCHILL ESTATES DEVELOPMENT
LTD.**

In Favour of:

**ROMSPEN INVESTMENT
CORPORATION**

ASSIGNMENT OF LEASES AND RENTS

WITTEN LLP
Barristers & Solicitors
2500, 10303 Jasper Avenue
Edmonton, Alberta T5J 3N6
Attention: John S. Little

File No. 100,082.030 JSL

THIS ASSIGNMENT is made the 17th day of December, 2009.

BY:

CHURCHILL ESTATES DEVELOPMENT LTD.
(herein collectively the "Assignor")

- in favour of -

ROMSPEN INVESTMENT CORPORATION,
(the "Assignee")

ASSIGNMENT OF MATERIAL CONTRACTS

WHEREAS:

- A. The Assignor is the registered owner of the LANDS;
- B. The Assignor has applied to the Assignee for a loan to finance certain improvements of the LANDS, and the Assignee has requested that in connection with such loan the Assignor grant in favour of the Assignee the SECURITY DOCUMENTS;
- C. The Assignor has entered into or may enter into contracts for the sale, rental or maintenance of the LANDS on the terms, conditions and covenants set forth in the MATERIAL CONTRACTS;
- D. At the request of the Assignee, the Assignor has agreed to assign the MATERIAL CONTRACTS to the Assignee as security for payment of the monies and the performance of the obligations of the Assignor to the Assignee pursuant to the SECURITY DOCUMENTS;

NOW THEREFORE THIS ASSIGNMENT WITNESSETH that, in consideration of the advances to be made by the Assignee to the Assignor under the terms of the SECURITY DOCUMENTS and the terms, conditions and agreements herein contained, the parties do hereby agree as follows:

ARTICLE I

1.1 **Definitions**

In this Assignment:

- (a) **EVENT OF DEFAULT** means any one of the events or circumstances specified in the **LOAN AGREEMENT** or the **SECURITY DOCUMENTS** as constituting an event of default;

- (b) INDEBTEDNESS means the principal sum of TEN MILLION FIVE HUNDRED THOUSAND (\$10,500,000.00) DOLLARS loaned to the Assignor by the Assignee plus all interest owing thereon and all other monies owing by the Assignor to the Assignee.
- (c) LANDS means the land and premises legally described in Schedule "A" attached hereto;
- (d) LOAN AGREEMENT means that certain commitment letter dated December 8, 2009, whereby the Assignee has agreed to make available to the Assignor a loan in the amount of TEN MILLION FIVE HUNDRED THOUSAND (\$10,500,000.00) DOLLARS upon the terms and conditions therein set forth;
- (e) MATERIAL CONTRACTS means contracts or subcontracts entered into by the Assignor respecting the LANDS including offers to purchase all or any portion of the LANDS;
- (f) SECURITY DOCUMENTS means collectively:
 - (i) the LOAN AGREEMENT;
 - (ii) this Assignment; and,
 - (iii) any other document or documents as may have been or may hereafter be executed to evidence or secure the INDEBTEDNESS.

1.2 Preamble and Schedules

The parties hereby confirm and ratify the matters contained and referred to in the preamble to this Assignment and agree that same and the various schedules hereto are expressly incorporated into and form part of this Assignment.

Schedules

The schedules to this Assignment are as follows:

Schedule "A" - LANDS

ARTICLE II

2.1 Assignment

In order to secure the due and punctual payment to the Assignee of the INDEBTEDNESS and the due observance and performance of the terms, covenants and conditions of the Assignor to be observed and performed under the SECURITY DOCUMENTS and in order to accommodate the Assignee if, on the occurrence of an EVENT OF DEFAULT, the Assignee wishes to acquire the benefit of the MATERIAL CONTRACTS or to cause the MATERIAL CONTRACTS to be completed, the Assignor does hereby absolutely

and unconditionally assign, grant, transfer and set over to the Assignee all the Assignor's estate, rights, title, interest and claim whatsoever, both at law and in equity, in and to and all the benefits of the MATERIAL CONTRACTS. The right, title and interest hereby assigned includes (without restricting the generality of the foregoing):

- (a) all claims for damages for breach of any of the terms or conditions of the MATERIAL CONTRACTS, and all warranties and indemnity provisions contained therein;
- (b) any right to terminate the MATERIAL CONTRACTS; and
- (c) the right of the Assignor, at its option at any time during the currency of this Agreement, to perform the MATERIAL CONTRACTS and to compel performance of the terms thereof.

The assignments contained in this Section shall be upon and subject to the terms and conditions set out in this Assignment.

2.2 Collateral Security

Notwithstanding anything contained herein or implied, it is understood and agreed that this Assignment is given and taken as collateral security for the repayment of the INDEBTEDNESS and that the Assignee has also taken the SECURITY DOCUMENTS as collateral security for such repayment. This Assignment shall:

- (a) not operate as a merger of any of the SECURITY DOCUMENTS or of any simple contract debt;
- (b) not in any way suspend the payment of, affect, or prejudice such rights, remedies or powers, legal or equitable, as the Assignee may hold in connection with the SECURITY DOCUMENTS;
- (c) operate without prejudice to any other security which may be taken by the Assignee in addition, by way of renewal of, or in substitution for, any future bill, note, obligation or security for the INDEBTEDNESS or any part thereof;
- (d) not be deemed to constitute payment or satisfaction of any of the SECURITY DOCUMENTS or of the INDEBTEDNESS or any part thereof, or be merged therein, nor shall the taking of a judgment or other proceedings under any of the SECURITY DOCUMENTS or any judgment on any future or other security, operate as a merger of the covenants and rights contained herein.

2.3 License

Subject to the terms hereof the Assignee hereby authorizes the Assignor, so long as no event has occurred which is an EVENT OF DEFAULT or a prospective EVENT OF DEFAULT, to deal with the MATERIAL CONTRACTS in all respects as if the Assignor remains solely entitled to all the right, title and interest in and to, and all the benefits of the MATERIAL CONTRACTS. Upon the Assignee giving notice to any contractor or subcontractor under any MATERIAL CONTRACTS of an EVENT OF DEFAULT, the Assignor shall not be capable of dealing with such contractor or subcontractor pursuant to such MATERIAL CONTRACTS.

ARTICLE III

3.1 Representations and Warranties

The Assignor represents and warrants to the Assignee that:

- (a) the Assignor has not previously assigned, charged, pledged or otherwise encumbered the MATERIAL CONTRACTS or its right, title and interest in and to the MATERIAL CONTRACTS;
- (b) this Assignment is valid and enforceable in accordance with its terms, is genuine and complies with applicable laws concerning delivery and execution, and all persons executing this Assignment or appearing to be obliged hereon on behalf of the Assignor have authority and capacity to contract and are bound as they appear to be;
- (c) the execution and delivery of this Assignment will not violate any law governing the Assignor, the Assignor's constating documents, or any agreement to which the Assignor is a party;
- (d) the Assignor is duly registered, validly existing and in good standing under the laws of the Province of Alberta and has all requisite corporate power and authority necessary to execute this Assignment and perform all the obligations and duties of the Assignor under the terms hereof;
- (e) the MATERIAL CONTRACTS are in full force and effect and are binding obligations enforceable in accordance with their terms;
- (f) neither the Assignor nor any contractor or subcontractor is in breach or default under the MATERIAL CONTRACTS, and there are no actions, suits or proceedings pending, or threatened by or against the Assignor or any contractor or subcontractor in connection with or arising out of the MATERIAL CONTRACTS;

- (g) no equities presently exist between any contractor or subcontractor and the Assignor which could give rise to a claim of set-off by under any of the MATERIAL CONTRACTS.

ARTICLE IV

4.1 Affirmative Covenants

The Assignor hereby agrees:

- (a) to take all necessary steps to procure the due performance by any contractor or subcontractor of their obligations under the MATERIAL CONTRACTS;
- (b) promptly and diligently to:
 - (i) perform the obligations on its part contained in the MATERIAL CONTRACTS;
 - (ii) notify the Assignee of any material default by the Assignor or any contractor or subcontractor under the MATERIAL CONTRACTS;
 - (iii) at the request of the Assignee, provide any and all documents and information in its possession or control relating to the MATERIAL CONTRACTS;
- (c) upon the written request of the Assignee, promptly and duly to execute and deliver any and all such further instruments or documents as the Assignee may reasonably require for the purpose of obtaining and securing to the Assignee the full benefit of this Assignment and of the rights and powers and authorities hereby granted;
- (d) to do or permit or procure to be done each and every act or thing which the Assignee may from time to time require to be done for the purpose of enforcing the rights of the Assignee hereunder and, if so requested, will join in any action required by the Assignee for that purpose.

ARTICLE V

5.1 Negative Covenants

The Assignor shall not without the prior written consent of the Assignee:

- (a) make or consent to any modification or amendment to the MATERIAL CONTRACTS or, cancel or terminate the MATERIAL CONTRACTS or agree to the cancellation or termination thereof; or,

- (b) consent or agree to any waiver or release of any obligation of any contractor or subcontractor under the MATERIAL CONTRACTS; or,
- (c) make or agree to any claim that the MATERIAL CONTRACTS are frustrated; or,
- (d) assign, charge, pledge or otherwise encumber its rights or benefits under the MATERIAL CONTRACTS to anyone other than the Assignee; or,
- (e) take or omit to take any action the taking or omission of which might result in any alteration or impairment of the MATERIAL CONTRACTS, or this Assignment.

ARTICLE VI

6.1 Continuing Obligations

Notwithstanding anything herein contained:

- (a) the Assignor shall remain at all times liable under the MATERIAL CONTRACTS to perform all the obligations assumed by it;
- (b) the exercising by the Assignee of any of the rights assigned hereunder shall not release the Assignor from any of such obligations; and
- (c) the Assignee shall not be under any obligation or liability under the MATERIAL CONTRACTS by reason of this Assignment or be obliged:
 - (i) to assume or be under any obligation in any manner to perform or fulfill any obligation of the Assignor under the MATERIAL CONTRACTS; or
 - (ii) to present or file any claim or take any other action to enforce against any contractor or subcontractor any term or condition of the MATERIAL CONTRACTS.

6.2 Continuing Security

This Assignment shall be and remain a continuing security notwithstanding the bankruptcy, liquidation, or any legal limitation or incapacity of the Assignor or any settlement of account or other matter whatsoever and is in addition to and shall not be prejudiced or affected in any way by any other security at any time held by the Assignee or by the invalidity thereof or by the Assignee at any time dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any other rights which the Assignee may have at any time or by any time or indulgence granted to or composition made with any other person liable or by any other matter or thing which, but for this provision, might exonerate the Assignor. On the repayment of the INDEBTEDNESS, this Assignment shall be of no further force and effect.

6.3 Indemnity

The Assignor:

- (a) shall be liable to the Assignee for; and
- (b) does hereby indemnify and save harmless the Assignee from and against;

any and all actions, proceedings, claims, losses, damages, demands and costs of any nature whatsoever arising, directly or indirectly, from the execution, delivery, and carrying out of the terms of this Assignment or the breach of the MATERIAL CONTRACTS by the Assignor.

ARTICLE VII

7.1 Successors and Assigns

This Assignment shall enure to the benefit of and be binding upon the Assignor and the Assignee, and their respective successors and permitted assigns.

7.2 Assignment by Assignor

The Assignor may not assign any of its rights or obligations hereunder without the prior written consent of the Assignee.

7.3 Assignment by Assignee

The Assignee shall be entitled to assign the whole or any part of its rights or benefits under this Assignment.

ARTICLE VIII

8.1 Notices

Any notice required to be given hereunder by any party shall be in writing and shall be deemed to have been well and sufficiently given if:

- (a) personally delivered to the party to whom it is intended or if such party is a corporation to an officer or registered office of that corporation; or
- (b) mailed by prepaid registered mail or delivered, to the address of the party to whom it is intended as hereinafter set forth:
 - (i) if to the Assignor, then:

32 Akerley Blvd.
Dartmouth, NS B3B 1N1

(ii) if to the Assignee, then:

ROMSPEN INVESTMENT CORPORATION,
162 Cumberland Street, Suite 300
Toronto, ON M5R 3N5

or to such other address as a party may from time to time designate by notice in writing.

Any notice delivered as aforesaid shall be deemed to have been received on the date of delivery and any notice mailed shall be deemed to have been received seventy two (72) hours after the date it is postmarked. If normal mail service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice sent by such impaired means of communication will not be deemed to be received until actually received. In the event any of such means of communication is impaired at the time of sending the notice, the party sending the notice shall deliver the notice in order to ensure prompt receipt thereof.

8.2 Governing Law and Jurisdiction

This Assignment shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the jurisdiction of the Courts in the Province of Alberta.

8.3 Interpretation

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Assignment the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

8.4 Severability

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

8.5 Headings

The headings in this Assignment have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Assignment or any provisions hereof.

IN WITNESS WHEREOF the Assignor has hereunto set its corporate seal duly attested to by the hands of its properly authorized officers in that behalf all on the day and year first above written.

**CHURCHILL ESTATES
DEVELOPMENT LTD.**

per:  _____ c/s

per: _____

SCHEDULE "A"

SCHEDULE "A"
LEGAL DESCRIPTIONS

CONDOMINIUM PLAN 0713076

UNIT 1

AND 165 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 2

AND 134 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 3

AND 171 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 7

AND 163 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 8

AND 162 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 10

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 11

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 15

AND 181 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 16

AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 18

AND 216 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 20
AND 183 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 24
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 25
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 28
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 29
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 30
AND 147 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 32
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 33
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 35
AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 36
AND 137 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 37
AND 384 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 38

AND 224 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 44

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 45

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 46

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 47

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 48

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 51

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 67

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 68

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 71

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076

UNIT 72

AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 73
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 74
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 75
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 78
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 79
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 80
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 83
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 85
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 86
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 87
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 88
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 93
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 94
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CONDOMINIUM PLAN 0713076
UNIT 95
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 98
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 101
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 102
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 103
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 104
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 105
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 106
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 109
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 113
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0713076
UNIT 114
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 118
AND 20 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 120
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CONDOMINIUM PLAN 0713076
UNIT 121
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CONDOMINIUM PLAN 0713076
UNIT 122
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CONDOMINIUM PLAN 0713076
UNIT 123
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CONDOMINIUM PLAN 0713076
UNIT 128
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076
UNIT 129
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CONDOMINIUM PLAN 0713076
UNIT 130
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CONDOMINIUM PLAN 0713076
UNIT 131
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CONDOMINIUM PLAN 0713076

UNIT 132

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CONDOMINIUM PLAN 0713076

UNIT 133

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CONDOMINIUM PLAN 0713076

UNIT 134

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CONDOMINIUM PLAN 0713076

UNIT 136

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 145

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 146

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UNIT 147

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CONDOMINIUM PLAN 0713076

UNIT 151

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 153

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CONDOMINIUM PLAN 0713076

UNIT 154

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CONDOMINIUM PLAN 0713076

UNIT 156

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CONDOMINIUM PLAN 0713076

UNIT 160

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 162

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 163

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CONDOMINIUM PLAN 0713076

UNIT 164

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 165

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 168

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 170

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
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CONDOMINIUM PLAN 0713076

UNIT 171

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS