

Clerk's Stamp:

COURT FILE NUMBER	1801-08520
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFFS	INNOVATION CREDIT UNION AND CONCENTRA BANK
DEFENDANTS	1764239 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., AND BRIAN OSTRANDER
DOCUMENT	<b><u>AFFIDAVIT</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 <sup>th</sup> Floor, 850 - 2 <sup>nd</sup> Street S.W. Calgary, Alberta T2P 0R8 Attn: John Regush Ph. (403) 268-7086 Fx. (403) 268-3100 File No.: 574391-2

**AFFIDAVIT OF BRAD APPEL No. 1**

Sworn on July 9, 2020

I, **BRAD APPEL**, of the City of Swift Current, in the Province of Saskatchewan, **SWEAR AND SAY THAT:**

1. I am the Chief Risk Officer of the Plaintiff, Innovation Credit Union ("**Innovation**", referred to collectively with Concentra Bank as the "**Plaintiffs**") and have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief. Where that knowledge is based on information or belief, I have stated the source of that information and verily believe it to be true.
2. I am authorized to swear this affidavit on behalf of Innovation.

**The Parties**

3. Innovation is a corporation pursuant to *The Credit Union Act, 1998* of Saskatchewan, and extra provincially registered in Alberta.
4. Concentra Bank, formerly known as Concentra Financial Services Association is a Schedule I bank pursuant to the *Bank Act*, SC 1991 c 46, and provides financial services to Canada's credit union system.
5. Innovation is authorized to prosecute the within action on its behalf and on behalf of Concentra.
6. The Defendant 1764239 Alberta Ltd. ("**176 Alberta**") is a body corporate incorporated pursuant to the laws of Alberta. A copy of an Alberta Corporate Registry search in respect of 176 Alberta is attached as **Exhibit "1"**.
7. 176 Alberta is the owner of a Clarion Hotel & Conference Centre in Medicine Hat, Alberta.

**Indebtedness of 176 Alberta to the Plaintiffs**

8. The Plaintiffs made available to 176 Alberta certain credit facilities pursuant to:
- (a) an Application for Credit dated October 31, 2013, as amended by agreements dated May 29, 2014, June 26, 2014, December 21, 2015 and May 25, 2016 (as amended, the "**2013 Term Financing Offer**"). Documents related to the 2013 Term Financing Offer are attached as **Exhibit "2"**;
  - (b) an Application for Credit dated February 16, 2015, as amended by agreements dated December 21, 2015 and May 25, 2016 (as amended, the "**2015 Term Financing Offer**"). Documents related to the 2015 Term Financing Offer are attached as **Exhibit "3"**;
  - (c) an Application for Credit dated October 29, 2013, as amended by agreements dated December 22, 2014 and May 25, 2016 (as amended the "**176 Alberta Line of Credit**", collectively with the 2013 Term Financing Offer and 2015 Term Financing Offer, the "**176 Alberta Loan Agreements**"). Documents related to the 176 Alberta Line of Credit are attached as **Exhibit "4"**.
9. The Plaintiffs advanced funds to 176 Alberta pursuant to the 176 Alberta Loan Agreements.

**Security**

10. To secure the obligations owing to the Plaintiffs, 176 Alberta provided the Plaintiffs with:
- (a) a general security agreement dated September 6, 2013 (the "**GSA**"). A copy of the GSA is attached as **Exhibit "5"**; and
  - (b) a mortgage dated October 31, 2013 in respect of the lands legally described as:  
  
PLAN 832LK  
BLOCK 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS  
(the "**Lands**")  
  
initially securing payment of the principal sum of \$4,179,000 plus interest, costs, and other amounts as set out in the mortgage, as amended by amending agreements dated May 29, 2014, July 10, 2014, December 21, 2015, and May 25, 2016 (as amended, the "**First Mortgage**"). A copy of the First Mortgage, standard terms referentially incorporated, and amending agreements are attached as **Exhibit "6"**;
  - (c) a mortgage dated February 16, 2015 in respect of the Lands securing payment of the principal sum of \$250,000 plus interest, costs, and other amounts as set out in the mortgage (the "**Second Mortgage**"). A copy of the Second Mortgage is attached as **Exhibit "7"**; and
  - (d) a mortgage dated February 16, 2015 in respect of the Lands initially securing payment of the principal sum of \$1,817,250 plus interest, costs, and other amounts as set out in the mortgage, as amended by amending agreements dated December 21, 2015 and May 25, 2016 (as amended, the "**Third Mortgage**", collectively with the First Mortgage and Second Mortgage, the "**Mortgages**"). A copy of the Third Mortgage and amending agreements are attached as **Exhibit "8"**.
11. The foregoing are collectively referred to as the "**Security**".

12. The Plaintiffs perfected the interests granted by the Security by registrations made in the Alberta Personal Property Registry and Alberta Land Titles Registry. A copy of a debtor name search of the Alberta Personal Property Registry for 176 Alberta is attached as **Exhibit "9"**. Copies of a certificate of title for the Lands is attached as **Exhibit "10"**.

### **Indebtedness**

13. Pursuant to its obligations under the Loan Agreements and the Security, 176 Alberta is indebted to the Plaintiffs in an amount that as of July 6, 2020 equals approximately \$7,256,003.86, which amounts do not include all accrued and accruing interest, costs, fees, disbursements, and expenses (including legal costs on a solicitor and its own client, full indemnity basis) (the "Indebtedness").

### **Default and Demand**

14. 176 Alberta is in default of the Loan Agreements and Security, for among other reasons, failure to repay the Indebtedness owing to the Plaintiffs in accordance with the terms of its agreements with the Plaintiffs.
15. By letter dated October 4, 2017 the Plaintiffs, through their legal counsel, demanded 176 Alberta repay the Indebtedness and issued a Notice of Intention to Enforce Security under subsection 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 ("NOI") to 176 Alberta. Copies of this demand and NOI are attached as **Exhibit "11"**.
16. The Plaintiffs commenced the within action against 176 Alberta (and the other Defendants) by way of a Statement of Claim filed June 15, 2018.
17. The Defendants, including 176 Alberta, were noted in default in the within action on October 31, 2018. A copy of this noting in default is attached as **Exhibit "12"**.
18. The Plaintiffs and 176 Alberta, among others, entered into a Forbearance Agreement in March 2020 (the "**Forbearance Agreement**"). A copy of the Forbearance Agreement is attached as **Exhibit "13"**.
19. 176 Alberta is in default of the Forbearance Agreement and the term of the Forbearance Agreement has expired due to the effluxion of time.
20. Presently, 176 Alberta has refused or neglected, and continue to refuse or neglect, to repay the Indebtedness to the Plaintiffs.

### **State of 176 Alberta's Business**

21. 176 Alberta has not:
- (a) made any payments to the Plaintiffs on account of the Indebtedness since January 8, 2018;
  - (b) provided accountant prepared financial statements since 2017; nor
  - (c) provided any financial reporting over the last year and a half,
22. There are numerous writs and liens registered against 176 Alberta and the Lands, some of which appear to have been unresolved for over two years.

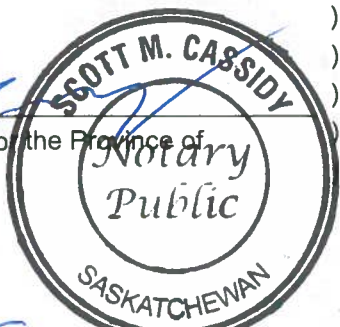
- 23. Additionally, in or around February, 2020, the Plaintiffs were sent a notice that due to arrears of taxes and other costs, the Lands were being offered for sale at public auction on March 31, 2020. I understand that the contemplated auction did not take place due to the public health emergency related to the novel coronavirus, and am unsure of whether the auction has been rescheduled, and if so to when.
- 24. The Plaintiffs have provided 176 Alberta with an extended period of time to resolve a repayment strategy and 176 Alberta has failed to do so.
- 25. Presently, 176 Alberta in default of its agreements with Plaintiffs, including but not limited to the Forbearance Agreement, has failed to provide timely and required reporting, and has failed to make payment of the Indebtedness in accordance with the terms of its agreements with the Plaintiffs, or at all over the past 29 months.
- 26. In light of the foregoing, the Plaintiffs have lost confidence in present management of 176 Alberta.
- 27. In all of the circumstances, I verily believe that the Plaintiffs' position is in jeopardy and that it is necessary, just, and convenient to appoint a receiver over the assets, properties, and undertakings 176 Alberta.

**Appointment of Receiver**

- 28. The Plaintiffs' are presently entitled to prosecute their legal remedies under their agreements with 176 Alberta, which includes the right to apply to this Honourable Court to appoint a receiver and manager over the assets, properties, and undertakings of 176 Alberta.
- 29. The Plaintiffs wish to exercise such right at this time.
- 30. I verily believe that the immediate appointment of a receiver manager of the assets, properties, and undertakings of 176 Alberta is necessary to protect the economic interests of the Plaintiffs, and is just and convenient in the circumstances.
- 31. The Plaintiffs' have no other means to preserve the business and assets of 176 Alberta, to reduce their increasing credit exposure, and to realize on the Plaintiffs' security.
- 32. 176 Alberta has, through the Forbearance Agreement, consented to the appointment of a receiver over its assets, properties, and undertakings.
- 33. I verily believe that Deloitte Restructuring Inc., with offices in the City of Calgary, Alberta, is qualified and prepared to act as receiver or receiver and manager of 176 Alberta if so appointed by this Honourable Court.
- 34. I make this Affidavit in support of the Plaintiffs' application for a receivership order in respect of 176 Alberta.

SWORN BEFORE ME at Swift Current, )  
Saskatchewan, this 9<sup>th</sup> day of July, 2020. )

\_\_\_\_\_  
 Notary Public in and for the Province of  
 Saskatchewan

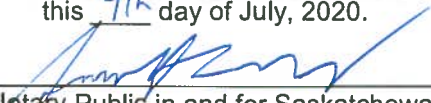


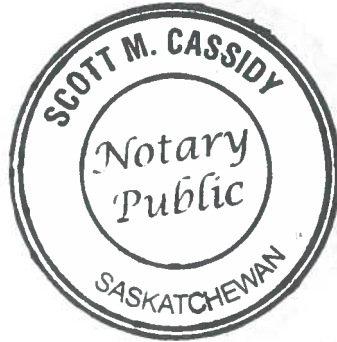
A circular notary seal for Scott M. Cassidy, Notary Public, Saskatchewan. The seal contains the text 'SCOTT M. CASSIDY', 'Notary Public', and 'SASKATCHEWAN'.

\_\_\_\_\_  
 Brad Appel

*Expiry: October 31, 2024.*

This is Exhibit 1 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October, 2024

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2019/06/13  
Time of Search: 11:00 AM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 31189965  
Customer Reference Number:

**Corporate Access Number:** 2017642394  
**Legal Entity Name:** 1764239 ALBERTA LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2013/08/02 YYYY/MM/DD



## Registered Office:

**Street:** 954 7 STREET SW  
**City:** MEDICINE HAT  
**Province:** ALBERTA  
**Postal Code:** T1A 7R7

## Records Address:

**Street:** 954 7 STREET SW  
**City:** MEDICINE HAT  
**Province:** ALBERTA  
**Postal Code:** T1A 7R7

## Directors:

**Last Name:** KRAHN  
**First Name:** PHILIP  
**Middle Name:** JOHN  
**Street/Box Number:** 27 ARBOUR STONE CLOSE NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3G 4T1

**Last Name:** OSTRANDER  
**First Name:** BRIAN  
**Street/Box Number:** 2125 - 1010 ARBOUR LAKE ROAD NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3G 4Y8

**Voting Shareholders:**

**Last Name:** HARDWOOD  
**First Name:** JUDY  
**Middle Name:** MAE  
**Street:** CO BOX 1 SITE 318 RR3  
**City:** SASKATOON  
**Province:** SASKATCHEWAN  
**Postal Code:** S7K 3J6  
**Percent Of Voting Shares:** 20

**Legal Entity Name:** OSTRANDER FAMILY HOLDINGS LTD.  
**Corporate Access Number:** 2014909861  
**Street:** 2125, 1010 ARBOUR LAKE ROAD NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3G 4Y8  
**Percent Of Voting Shares:** 70

**Last Name:** REIMER  
**First Name:** DORIS  
**Street:** C/O 5100, 150 - 6 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 3Y7  
**Percent Of Voting Shares:** 10

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** THE ATTACHED SCHEDULE "A" - SHARE CAPITAL IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

**Share Transfers:** THE ATTACHED SCHEDULE "B" RESTRICTIONS ON SHARE TRANSFERS IS INCORPORATED INTO AND FORMS PART OF THIS

**Restrictions:** FORM.

**Min Number Of Directors:** 1

**Max Number Of Directors:** 3

**Business Restricted To:** NONE

**Business Restricted From:** NONE

**Other Provisions:** THE ATTACHED SCHEDULE "C" OTHER PROVISIONS IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CLARION HOTEL & CONFERENCE CENTRE	TN18462705
EXECUTIVE ON THE RIDGE	TN17868274
HOMESTAY EXPRESS	TN21860366
HOMESTAY INN & SUITES	TN21860325

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2018	2018/08/17

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2013/08/02	Incorporate Alberta Corporation
2016/05/30	Change Address
2017/04/12	Change Director / Shareholder
2018/08/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

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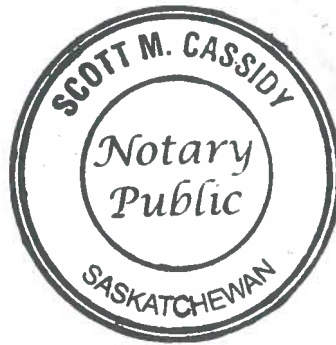
Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2013/08/02
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2013/08/02
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2013/08/02

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit 2 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024.

### Business Application For Credit

Application No. 1934383

Account Holder No. \_\_\_\_\_

Loan No. 830511046930

Date Printed: October 23, 2013

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch  
 198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD  
 Mailing Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada  
 Business Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada  
 Telephone: 403-969-5233 Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$4,179,000.00 Term 42 (months) Amortization: 186 (months)

We decline the following insurance coverage:  Life  Disability  Critical Illness

Initials \_\_\_\_\_

**Purpose/Intended Use:**

Consolidate loan 830511019549 and renovations to Quality Inn in Medicine Hat, Alberta. Security will include an existing General Security Agreement dated September 6, 2013.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?  
 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?  
 Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

- Has identity of Applicant(s) been previously ascertained and verified?
- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

In the event any Applicant is a Politically Exposed Foreign Person complete AML 312.01.

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$4,179,000.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment .....	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$0.00	Line Of Credit With Us .....	\$0.00
Refinancing Existing Debt .....	\$2,520,000.00	Other FI Loans .....	\$0.00
Insurance Premium .....	\$0.00	Other .....	\$0.00
Registration Fee .....	\$0.00		
Administration Fee .....	\$0.00		
CSBFA .....	\$0.00		
CALA .....	\$0.00		
Other (Specify)			
Other .....	\$1,659,000.00		
<b>Total \$</b>	<b>4,179,000.00</b>	<b>Total \$</b>	<b>4,179,000.00</b>

**Time and manner of payment:** (suggested terms only - terms may vary on approval)

Interest Payable At: 4.32000% Fixed.

Term: 42 (months)

Amortization: 186 (months)

See Attached Schedule A

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of interest, plus a percentage (Floating Rate), installments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

**B Electronic Statements (complete if applicable)**

I/We request the Credit Union deliver, and I/we consent to receive, periodic statements relating to my/our loans electronically, via internet banking only. By consenting to receive statements via internet banking only, I/we acknowledge that I/we will no longer receive paper statements relating to my/our loans and accounts. Electronic statements will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
830511019549	\$2,520,000.00	September 03, 2013	\$2,520,000.00	\$18,641.00		
Subtotal Credit Union Loans (1)			\$2,520,000.00	\$18,641.00		

Other Lenders Loans

Subtotal Other Lenders Loans (2)			\$0.00	\$0.00		
Total All Loans (1 + 2)			\$2,520,000.00	\$18,641.00		
LESS: Loans being refinanced			\$2,520,000.00	\$18,641.00		
SUBTOTAL			\$0.00	\$0.00		
Loan being applied for			\$4,179,000.00	\$31,686.00		
TOTAL LOANS AFTER NEW ADVANCE			\$4,179,000.00	\$31,686.00		

Applicant(s) Declaration:

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer; monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/We also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/We authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/We can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/We may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/We agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/We will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/We receive from the Credit Union; and I/We authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time, and I/We authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/We deal with now or in the future. I/We further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/We will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/We have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/We are authorizing the Credit Union to communicate with us electronically via that medium. I/We recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/We acknowledge and agree that the Credit Union will not be responsible for any damages I/We may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/We also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/We collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/We authorize payment of the amount by auto transfer from the account number indicated. I/We warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

830511014060

\$31,586.00

(Account Number)

(Amount)

DATED, this 31 day of October, 2013, at Swift Current, Saskatchewan Alberta

at Swift Current

THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE APPLICANT HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

APPLICANT(S)

1764239 ALBERTA LTD

Witness

Witness

Witness

Witness

Application No. 1934383  
 Date Printed: October 23, 2013

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for herein to the Applicant(s), I/we hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.


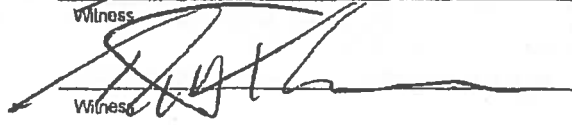
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

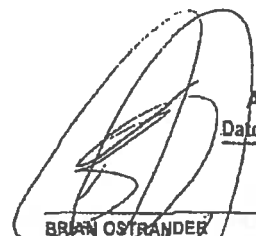
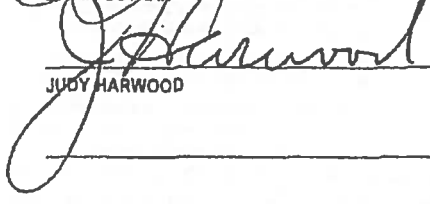
And I/we further agree if payment is not made as provided, to pay the fees and charges as detailed in the application herein. I/we further agree to execute in favour of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address	Amount of Guarantee	
BRIAN OSTRANDER	230 GRIZZLY RISE COCHRANE AB T4C0B5, Canada	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial \$3,134,250.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
JUDY HARWOOD	BOX 1 SITE 318 RR, 3 LCD MAIN SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial \$1,044,760.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____
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_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
_____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial \$ _____

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 1934383  
Date Printed: October 23, 2013

  
\_\_\_\_\_  
Witness  
  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
BRIAN OSTRANDER  
  
\_\_\_\_\_  
JUDY HARWOOD

\_\_\_\_\_  
Witness  
  
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NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.



SECURITY FOR LOANS BEING APPLIED FOR	ASSET \$ VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input checked="" type="checkbox"/> Land Mortgage							
Block 1, Plan 832LK	\$5,970,000.00		70.00	\$4,179,000.00	\$0.00		\$4,179,000.00
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$3,134,250.00 Of BRIAN OSTRANDER							
Guarantee for \$1,044,750.00 Of JUDY HARWOOD							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Other Security (Specify)							
<b>TOTAL VALUE OF SECURITY</b>	<b>\$5,970,000.00</b>			<b>\$4,179,000.00</b>	<b>\$0.00</b>		<b>\$4,179,000.00</b>

\* Denote as follows (A) Current Market Value (estimated by credit union) (B) Independently Appraised Value  
 (C) Depreciated Book Value (D) Book Value (Cost)  
 (E) Purchase Price

Application No. 1934383  
 Date Printed: October 23, 2013

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER

Pat Boser

Application No. 1934383  
 Date Printed: October 23, 2013

**APPROVAL**

Date:  
 Amount: \$4,179,000.00  
 Term: 36 (months)

Approve

Decline

Rate: Fixed 4.32000%

Amortization: 180 (months)

Payment: 31,586.00 Monthly

**SECURITY:**

Guarantee From:  
 BRIAN OSTRANDER  
 JUDY HARWOOD

\$3,134,260.00  
 \$1,044,760.00

Security Interest In  
 Block 1, Plan 832LK

\$4,179,000.00

Subject to: \_\_\_\_\_

Pat Boser

Consumer     Agricultural     Director     Employee

**Aggregate Debt including this advance**

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$6,699,000.00	\$0.00	\$6,699,000.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$0.00	\$0.00	\$0.00
<b>Total Debt</b>	<b>\$6,699,000.00</b>	<b>\$0.00</b>	<b>\$6,699,000.00</b>

## SCHEDULE "A"

The Mortgagor will pay to the Mortgagee in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan, set out above, the sum lent to the Mortgagor as aforesaid, together with interest as follows:

- a) From the date of the advance of funds until the 15 day of April, 2014 the Mortgagor will pay interest at a rate of 4.32% calculated yearly, not in advance, as well after as before maturity, default or judgment.

The sum lent and the aforesaid interest shall be paid as follows:

Upon demand, but until demand:

- b) By monthly installments of interest alone, the first payment to be made on the 15 day of November, 2013 and continuing on the 15 day of each and every month up to and including the 15 day of April, 2014; and
- c) By monthly installments of principal and interest of **Thirty One Thousand Five Hundred and Eighty Six Dollars (\$31,586.00)**, the first payment to be made on the 15 day of May, 2014, and a like amount every month thereafter up to and including the 15 day of April, 2017 when the entire balance then owing shall become due and payable. Each payment is to be applied and credited firstly on interest with the balance on principal.

# Business Application For Credit

Application No. 2034164  
Account Holder No. \_\_\_\_\_  
Loan No. 830511046930  
Date Printed: May 28, 2014

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch

198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD

Mailing Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada

Business Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada

Telephone: 403-969-5233 Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$4,179,000.00 Term 41 (months) Amortization: 185 (months)

I/We decline the following insurance coverage:  Life  Disability  Critical Illness

Initials \_\_\_\_\_

### Purpose/Intended Use:

Extension on construction (interest-only) period of mortgage agreement.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

is a current completed AML 313.01 on file?  
 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has Identity of signing authorities been previously ascertained and verified?  
 Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

- Has Identity of Applicant(s) been previously ascertained and verified?
- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

In the event any Applicant is a Politically Exposed Foreign Person complete AML 312.01.

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$4,179,000.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$0.00	Line Of Credit With Us	\$0.00
Refinancing Existing Debt .....	\$4,179,000.00	Other FI Loans	\$0.00
Insurance Premium .....	\$0.00	Other	\$0.00
Registration Fee .....	\$0.00		
Administration Fee .....	\$0.00		
CSBFA .....	\$0.00		
CALA .....	\$0.00		
Other (Specify)			
Other	\$0.00		
_____			
_____			
_____			
_____			
Total \$	4,179,000.00	Total \$	4,179,000.00

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: 4.32000% Fixed.

Term: 41 (months)                      Amortization: 185 (months)

As set out in the attached schedule.

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

**B Electronic Statements (complete if applicable)**

I/We request the Credit Union deliver, and I/we consent to receive, periodic statements relating to my/our loans electronically, via internet banking only. By consenting to receive statements via internet banking only, I/we acknowledge that I/we will no longer receive paper statements relating to my/our loans and accounts. Electronic statements will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
Subtotal Credit Union Loans (1)						

Other Lenders Loans

Subtotal Other Lenders Loans (2)						
Total All Loans (1 + 2)						
LESS: Loans being refinanced						
SUBTOTAL						
Loan being applied for						
TOTAL LOANS AFTER NEW ADVANCE						

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/We also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose Information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/We authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such Information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such Information and I specifically direct and authorize such entities to provide Information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use Information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our Information current and I/we agree to notify the Credit Union of any changes in my/our Information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

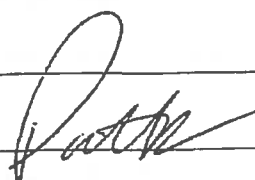
\$ \_\_\_\_\_

(Account Number) \_\_\_\_\_ (Amount) \_\_\_\_\_

DATED, this 29th day of May, 2014, at Swift Current, Saskatchewan.

**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE APPLICANT HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Witness 

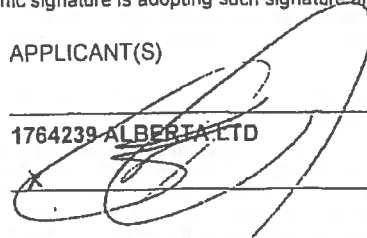
Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

APPLICANT(S)

1764239 ALBERTA LTD





**Application No. 2034164**  
**Date Printed: May 28, 2014**

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for herein to the Applicant(s), I/we hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this application and in the Guarantee.

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And I/we further agree if payment is not made as provided, to pay the fees and charges as detailed in the application herein. I/we further agree to execute in favour of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address			Amount of Guarantee
<b>BRIAN OSTRANDER</b>	<b>2125 - 1010 ARBOUR LAKE RD NW CALGARY, AB T2G 4Y8</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$3,134,250.00</b>
<input checked="" type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: <u>OCTOBER 29, 2013</u>		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<b>JUDY HARWOOD</b>	<b>RR 3 LCD MAIN BOX 1 SITE318 SASKATOON, SK S7K 3J6</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$1,044,750.00</b>
<input checked="" type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: <u>OCTOBER 14, 2013</u>		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2034164

Date Printed: May 28, 2014

Witness

Witness

Witness

Witness

Witness

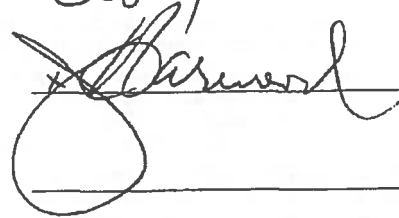
Witness

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Witness

Witness

Witness



NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.



**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
AVAILABLE TO SERVICE DEBT			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
SURPLUS / SHORTFALL			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER

Application No. 2034164  
 Date Printed: May 28, 2014

**APPROVAL**

Date:

Approve

Decline

Amount: \$4,179,000.00

Rate: Fixed 4.32000%

Term: 41 (months)

Amortization: 185 (months)

Payment: Interest Monthly

**SECURITY:**

Guarantee From:

Security Interest In  
 Block 1, Plan 832LK

\$4,179,000.00

Subject to: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Consumer     Agricultural     Director     Employee

Aggregate Debt including this advance

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$4,179,000.00	\$0.00	\$4,179,000.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$50,000.00	\$0.00	\$50,000.00
<b>Total Debt</b>	<b>\$4,229,000.00</b>	<b>\$0.00</b>	<b>\$4,229,000.00</b>

## SCHEDULE "A"

The Mortgagor will pay to the Mortgagee in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan, set out above, the sum lent to the Mortgagor as aforesaid, together with interest as follows:

- a) From the date of the advance of funds until the 15 day of September, 2017 the Mortgagor will pay interest at a rate of 4.32% calculated yearly, not in advance, as well after as before maturity, default or judgment.

The sum lent and the aforesaid interest shall be paid as follows:

Upon demand, but until demand:

- b) By monthly installments of interest alone, the first payment to be made on the 15<sup>th</sup> day of May, 2014 and continuing on the 15<sup>th</sup> day of each and every month up to and including the 15<sup>th</sup> day of September, 2014; and
- c) By monthly installments of principal and interest of Thirty One Thousand Five Hundred and Eighty Six Dollars --- 00/100 (\$31,586.00), the first payment to be made on the 15<sup>th</sup> day of October, 2014, and a like amount every month thereafter up to and including the 15<sup>th</sup> day of September, 2017 when the entire balance then owing shall become due and payable. Each payment is to be applied and credited firstly on interest with the balance on principal.

# Business Application For Credit

Application No. 2048282  
 Account Holder No. \_\_\_\_\_  
 Loan No. 830511046930  
 Date Printed: June 24, 2014

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

**Innovation Credit Union, Swift Current Branch**  
 198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD  
 Mailing Address: 954 7 SW ST, MEDICINE HAT, AB, T1A7R7, Canada  
 Business Address: 954 7 SW ST, MEDICINE HAT, AB, T1A7R7, Canada  
 Telephone: 403-9695233 Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$4,679,000.00 Term 42 (months) Amortization: 246 (months)

I/We decline the following insurance coverage:  Life  Disability  Critical Illness

Initials \_\_\_\_\_

**Purpose/Intended Use:**

Re-advance on existing mortgage to increase principal by \$500,000.00 which will be used to renovate the restaurant and lounge.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?

Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?

Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

Has identity of Applicant(s) been previously ascertained and verified?

- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

In the event any Applicant is a Politically Exposed Foreign Person complete AML 312.01.

Application No. 2048282  
 Date Printed: June 24, 2014

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$4,679,000.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$0.00	Line Of Credit With Us	\$0.00
Refinancing Existing Debt .....	\$4,179,000.00	Other FI Loans	\$0.00
Insurance Premium .....	\$0.00	Other	\$0.00
Registration Fee .....	\$0.00		
Administration Fee .....	\$0.00		
CSBFA .....	\$0.00		
CALA .....	\$0.00		
Other (Specify)			
Other	\$500,000.00		
<b>Total \$</b>	<b>4,679,000.00</b>	<b>Total \$</b>	<b>4,679,000.00</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: 4.33000% Fixed.

Term: 42 (months) Amortization: 246 (months)

See attached Schedule A

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

**B Electronic Statements (complete if applicable)**

I/We request the Credit Union deliver, and I/we consent to receive, periodic statements relating to my/our loans electronically, via internet banking only. By consenting to receive statements via internet banking only, I/we acknowledge that I/we will no longer receive paper statements relating to my/our loans and accounts. Electronic statements will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.



**TO BE COMPLETED IN DETAIL**

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
830511046930	\$4,179,000.00	October 23, 2013	\$4,179,000.00	\$15,044.40		
830511014060	\$50,000.00	September 03, 2013	\$48,588.23	\$0.00		
<b>Subtotal Credit Union Loans (1)</b>			<b>\$4,227,588.23</b>	<b>\$15,044.40</b>		

**Other Lenders Loans**

<b>Subtotal Other Lenders Loans (2)</b>			<b>\$0.00</b>	<b>\$0.00</b>		
<b>Total All Loans (1 + 2)</b>			<b>\$4,227,588.23</b>	<b>\$15,044.40</b>		
<b>LESS: Loans being refinanced</b>			<b>\$4,179,000.00</b>	<b>\$15,044.40</b>		
<b>SUBTOTAL</b>			<b>\$48,588.23</b>	<b>\$0.00</b>		
Loan being applied for			\$4,679,000.00	\$16,883.40		
<b>TOTAL LOANS AFTER NEW ADVANCE</b>			<b>\$4,727,588.23</b>	<b>\$16,883.40</b>		

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/we also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

830511014060

(Account Number)

\$29,175.00

(Amount)

DATED, this 26th day of June, 2014, at Swift Current, Saskatchewan.

**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE APPLICANT HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

APPLICANT(S)  
\_\_\_\_\_  
**1764239 ALBERTA LTD**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Application No. 2048282**  
**Date Printed: June 24, 2014**

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for herein to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

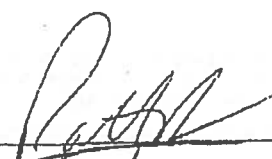
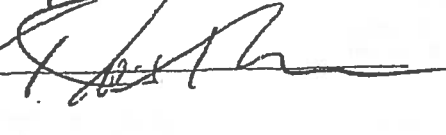
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

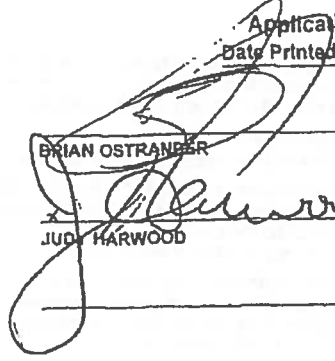
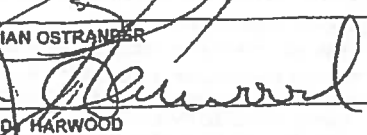
And I/we further agree if payment is not made as provided, to pay the fees and charges as detailed in the application herein. I/we further agree to execute in favour of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address			Amount of Guarantee
<b>BRIAN OSTRANDER</b>	<b>1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$3,509,250.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<b>JUDY HARWOOD</b>	<b>BOX 1 SITE 318 RR, 3 LCD MAIN SASKATOON SK S7K3J6, Canada</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$1,169,750.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
_____ <input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____				
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
_____ <input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____				
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_____ <input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____				

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Application No. 2048282  
Date Printed: June 24, 2014

Witness   
Witness   
Witness \_\_\_\_\_  
Witness \_\_\_\_\_  
Witness \_\_\_\_\_  
Witness \_\_\_\_\_  
Witness \_\_\_\_\_  
Witness \_\_\_\_\_  
Witness \_\_\_\_\_

  
BRIAN OSTRANDER  
  
JUDY HARWOOD  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

Date Printed: June 24, 2014

SECURITY FOR LOANS BEING APPLIED FOR	ASSET \$ VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input checked="" type="checkbox"/> Land Mortgage							
Block 1, Plan 832LK	\$7,050,000.00		70.00	\$4,935,000.00	\$0.00		\$4,935,000.00
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$3,509,250.00 Of BRIAN OSTRANDER							
Guarantee for \$1,169,750.00 Of JUDY HARWOOD							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Other Security (Specify)							
<b>TOTAL VALUE OF SECURITY</b>	<b>\$7,050,000.00</b>			<b>\$4,935,000.00</b>	<b>\$0.00</b>		<b>\$4,935,000.00</b>

\* Denote as follows     (A) Current Market Value (estimated by credit union)     (B) Independently Appraised Value  
 (C) Depreciated Book Value     (D) Book Value (Cost)  
 (E) Purchase Price

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER

Pat Boser

Application No. 2048282  
 Date Printed: June 24, 2014

**APPROVAL**

Date:  
 Amount: \$4,679,000.00  
 Term: 42 (months)

Approve  Decline  
 Rate: Fixed 4.33000%  
 Amortization: 246 (months) Payment: Interest Monthly

**SECURITY:**

Guarantee From:  
 BRIAN OSTRANDER  
 JUDY HARWOOD

\$3,509,250.00  
 \$1,169,750.00

Security Interest In  
 Block 1, Plan 832LK

\$4,935,000.00

Subject to: \_\_\_\_\_

Pat Boser \_\_\_\_\_

Consumer  Agricultural  Director  Employee

**Aggregate Debt including this advance**

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$4,679,000.00	\$0.00	\$4,679,000.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$50,000.00	\$0.00	\$50,000.00
<b>Total Debt</b>	<b>\$4,729,000.00</b>	<b>\$0.00</b>	<b>\$4,729,000.00</b>

## SCHEDULE "A"

The Mortgagor will pay to the Mortgagee in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan, set out above, the sum lent to the Mortgagor as aforesaid, together with interest as follows:

- a) From the date of the advance of funds until the **15th day of December, 2017** the Mortgagor will pay interest at a rate of **4.33%** calculated yearly, not in advance, as well after as before maturity, default or judgment.

The sum lent and the aforesaid interest shall be paid as follows:

Upon demand, but until demand:

- b) By monthly installments of interest alone, the first payment to be made on the **15th day of July, 2014** and continuing on the **15th day of each and every month** up to and including the **15th day of December, 2014**; and
- c) By monthly installments of principal and interest of **Twenty Nine Thousand One Hundred and Seventy Five Dollars --- 00/100 (\$29,175.00)**, the first payment to be made on the **15th day of January, 2015**, and a like amount every month thereafter up to and including the **15th day of December, 2017** when the entire balance then owing shall become due and payable. Each payment is to be applied and credited firstly on interest with the balance on principal.



### Business Application For Credit

Application No. 2324350  
 Account Holder No. \_\_\_\_\_  
 Loan No. \_\_\_\_\_  
 Date Printed: December 17, 2015

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch  
 198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD  
 Mailing Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4  
 Business Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4  
 Telephone: 403-9695233 Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$4,557,062.32 Term 24 (months) Amortization: 228 (months)

I/We decline the following insurance coverage:  Life  Disability  Critical Illness

Initials \_\_\_\_\_

**Purpose/Intended Use:**

Loan extension to skip November and December payments, starting again January 15, 2016.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?

Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?

Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

Has identity of Applicant(s) been previously ascertained and verified?

- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

No  Yes (complete AML 312.01)

Application No. 2324350

Date Printed: December 17, 2015

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$4,557,062.32
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$0.00	Line Of Credit With Us	\$0.00
Refinancing Existing Debt ....	\$4,557,062.32	Other FI Loans	\$0.00
Insurance Premium .....	\$0.00	Other	\$0.00
Registration Fee .....	\$0.00		
Administration Fee .....	\$0.00		
CSBFA .....	\$0.00		
CALA .....	\$0.00		
Other (Specify)			
Other	\$0.00		
<b>Total \$</b>	<b>4,557,062.32</b>	<b>Total \$</b>	<b>4,557,062.32</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: 4.33000% Fixed.

Term: 24 (months) Amortization: 228 (months)

By Monthly installments of \$29,175.00 each, the first payment to be made on Jan 15 2016, and a like amount every month thereafter until Dec 15 2017 at which time the total amount owing (inclusive of principal and interest) shall be paid.

Review Date:

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

A Skip A Payment (complete if applicable)

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

B Electronic Disclosure Statements, Notices and Renewals (complete if applicable)

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

Application No. 2324350  
 Date Printed: December 17, 2015

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
<b>Subtotal Credit Union Loans (1)</b>						

Other Lenders Loans

<b>Subtotal Other Lenders Loans (2)</b>						
<b>Total All Loans (1 + 2)</b>						
<b>LESS: Loans being refinanced</b>						
<b>SUBTOTAL</b>						
Loan being applied for						
<b>TOTAL LOANS AFTER NEW ADVANCE</b>						

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/We also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_

(Account Number) \_\_\_\_\_ (Amount)

DATED, this 21st day of December, 2015, at Swift Current, Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

APPLICANT(S)

764239 ALBERTA LTD

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Application No. 2324350  
 Date Printed: December 17, 2015

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/we hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

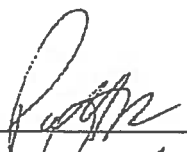
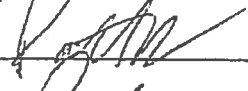
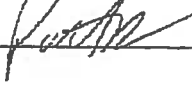
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.


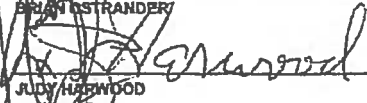
And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address	Amount of Guarantee
BRIAN OSTRANDER	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4V9	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$3,509,250.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
JUDY HARWOOD	BOX 1 SITE 318 RR 3 LCD MAIN, SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$1,169,750.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
OSTRANDER FAMILY HOLDINGS	10000 400 3 Ave SW, Calgary AB T2P 4H2, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$3,509,250.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2324350  
Date Printed: December 17, 2015

Witness   
Witness   
Witness   
Witness  
Witness  
Witness  
Witness  
Witness  
Witness  
Witness

  
BRIAN STRANDER  
  
JUDY HERRWOOD  
STRANDER FAMILY HOLDINGS LTD

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

SECURITY FOR LOANS BEING APPLIED FOR	ASSET \$ VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input checked="" type="checkbox"/> Land Mortgage							
Block 1, Plan 832LK	\$8,995,000.00		70.00	\$6,296,500.00	\$6,370,393.00		(\$73,893.04)
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$3,509,250.00 Of BRIAN OSTRANDER							
Guarantee for \$1,169,750.00 Of JUDY HARWOOD							
Guarantee for \$3,509,250.00 Of OSTRANDER FAMILY HOLDING							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Other Security (Specify)							
<b>TOTAL VALUE OF SECURITY</b>							
	\$8,995,000.00			\$6,296,500.00	\$6,370,393.00		(\$73,893.04)

\* Denote as follows (A) Current Market Value (estimated by credit union) (B) Independently Appraised Value  
 (C) Depreciated Book Value (D) Book Value (Cost)  
 (E) Purchase Price

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER \_\_\_\_\_



Application No. 2324350  
Date Printed: December 17, 2015

APPROVAL

Date:  Approve  Decline  
Amount: \$4,557,062.32 Rate: Fixed 4.33000%  
Term: 24 (months) Amortization: 228 (months) Payment: 29,175.00 Monthly

SECURITY:

Guarantee From:  
BRIAN OSTRANDER \$3,509,250.00  
JUDY HARWOOD \$1,169,750.00  
OSTRANDER FAMILY HOLDINGS LTD \$3,509,250.00

Security Interest In  
Block 1, Plan 832LK (\$73,893.04)

Subject to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Consumer  Agricultural  Director  Employee

Aggregate Debt Including this advance

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured			
Secured			
Mortgage			
Government Guaranteed			
Unsecured			
Total Debt			

**Business Application For Credit**Application No. 2414976

Account Holder No. \_\_\_\_\_

Loan No. 830511046930Date Printed: May 20, 2016

- Term Loan  
 Revolving Line of Credit  
 Quick Loan  
 Letter of Credit  
 Mortgage Loan

Innovation Credit Union, Swift Current Branch

198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTDTrade Name: 1764239 ALBERTA LTDMailing Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4Business Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4Telephone: 403-9695233 Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$4,679,000.00 Term 19 (months) Amortization: 225 (months)I/We decline the following Insurance coverage:  Life  Disability  Critical Illness \_\_\_\_\_

Initials

**Purpose/Intended Use:**

Extension to skip January to May payments commencing again on June 15, 2016, with the new funds of \$121,937.68 to be used to cover outstanding accrued interest on the loans and outstanding payables related to taxes, utilities, and insurance.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)**Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)**

Is a current completed AML 313.01 on file?

 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?

 Yes (on Account No. 1005200);  No (complete AML 9.310)**Where Applicant(s) is an individual:**

Has identity of Applicant(s) been previously ascertained and verified?

Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

 No  Yes (complete AML 312.01)

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$4,679,000.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$0.00	<u>Line Of Credit With Us</u>	\$0.00
Refinancing Existing Debt .....	\$4,679,000.00	<u>Other FI Loans</u>	\$0.00
Insurance Premium .....	\$0.00	<u>Other</u>	\$0.00
Registration Fee .....	\$0.00	_____	
Administration Fee .....	\$0.00	_____	
CSBFA .....	\$0.00	_____	
CALA .....	\$0.00	_____	
Other (Specify)			
<u>Other</u>	\$0.00		
_____			
_____			
_____			
_____			
Total \$	4,679,000.00	Total \$	4,679,000.00

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: 4.33000% Fixed.

Term: 19 (months) Amortization: 226 (months)

By Monthly Installments of \$30,221.00 each, the first payment to be made on Jun 15 2016, and a like amount every month thereafter until Dec 15 2017 at which time the total amount owing (inclusive of principal and interest) shall be paid.

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:  
N/A

**B Electronic Disclosure Statements, Notices and Renewals (complete if applicable)**

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
<b>Subtotal Credit Union Loans (1)</b>						

Other Lenders Loans

<b>Subtotal Other Lenders Loans (2)</b>						
<b>Total All Loans (1 + 2)</b>						
<b>LESS: Loans being refinanced</b>						
<b>SUBTOTAL</b>						
<b>Loan being applied for</b>						
<b>TOTAL LOANS AFTER NEW ADVANCE</b>						

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/we acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/we also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_  
 \_\_\_\_\_ (Account Number) (Amount)

DATED, this 25 day of May, 2016, at Swift Current, Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Witness

APPLICANT(S)  
 \_\_\_\_\_  
 1794239 ALBERTA LTD  
 \_\_\_\_\_  
 \_\_\_\_\_

Application No. 2414976  
 Date Printed: May 20, 2016

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

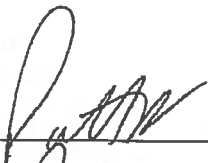

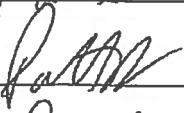
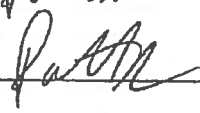
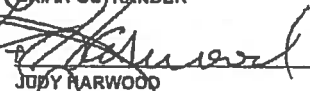
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address	Amount of Guarantee
BRIAN OSTRANDER	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y4	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$3,509,250.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
JUDY HARWOOD	BOX 1 SITE 318 RR 3 LCD MAIN, SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$1,169,750.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
OSTRANDER FAMILY HOLDINGS	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y4	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$3,509,250.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2414976  
Date Printed: May 20, 2016

Witness		
Witness		BRIAN OSTRANDER
Witness		
Witness		JUDY FARWOOD
Witness		OSTRANDER FAMILY HOLDINGS LTD
Witness		
Witness		
Witness		
Witness		
Witness		
Witness		
Witness		

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.





Application No. 2414976

Date Printed: May 20, 2016

## KEY RATIOS

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	0.00 :1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

## FUNDS TO SERVICE DEBT

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other	0.00	0.00	
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other	0.00	0.00	
AVAILABLE TO SERVICE DEBT	0.00	0.00	
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)	0.00	0.00	
SURPLUS / SHORTFALL	0.00	0.00	

## RECOMMENDATION

Comments &amp; Recommendations:

INTERVIEWER \_\_\_\_\_

Application No. 2414976  
 Date Printed: May 20, 2016

**APPROVAL**

Date:  Approve  Decline  
 Amount: \$4,679,000.00 Rate: Fixed 4.33000%  
 Term: 19 (months) Amortization: 225 (months) Payment: 30,221.00 Monthly

**SECURITY:**

Guarantee From:  
 BRIAN OSTRANDER \$3,509,250.00  
 OSTRANDER FAMILY HOLDINGS LTD \$3,509,250.00  
 JUDY HARWOOD \$1,169,750.00

Security Interest In  
 Block 1, Plan 832LK \$7,196,000.00

Subject to: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

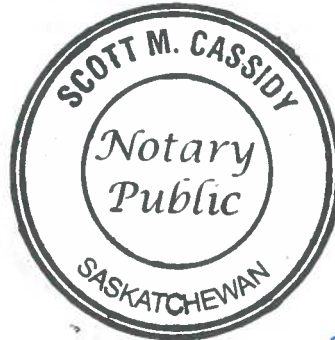
Consumer  Agricultural  Director  Employee

Aggregate Debt Including this advance

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured			
Secured			
Mortgage			
Government Guaranteed			
Unsecured			
Total Debt			

This is Exhibit 3 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024

# Business Application For Credit

Application No. 2152259  
Account Holder No. \_\_\_\_\_  
Loan No. \_\_\_\_\_  
Date Printed: February 04, 2015

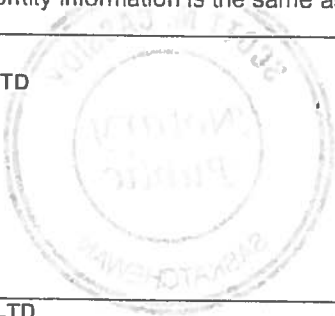
- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch  
198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_

Name(s) of Applicant(s): 1764239 ALBERTA LTD



Trade Name: 1764239 ALBERTA LTD

Mailing Address: 954 7 ST SW, MEDICINE HAT, AB, T1A 7R7, Canada

Business Address: 954 7 ST SW, MEDICINE HAT, AB, T1A 7R7, Canada

Telephone: 403-969-5233 Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$1,817,250.00 Term 60 (months) Amortization: 235 (months)

I/We decline the following insurance coverage:  Life  Disability  Critical Illness \_\_\_\_\_

Initials

### Purpose/Intended Use:

Equity take out from the Clarion Hotel for cash flow purposes. Security to include General Security Agreement dated September 6, 2013.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?

Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has Identity of signing authorities been previously ascertained and verified?

Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

Has Identity of Applicant(s) been previously ascertained and verified?

- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
- Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

No  Yes (complete AML 312.01)

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land.....	\$0.00	Credit Union Loan.....	\$1,817,250.00
New Building or Addition.....	\$0.00	Chartered Bank Loan.....	
Machinery and/or Equipment ..	\$0.00	From Working Capital.....	\$0.00
Furniture and Fixtures.....	\$0.00	Shareholders Loans.....	\$0.00
Vehicles.....	\$0.00	Other Sources (Specify)	
Working Capital.....	\$1,817,250.00	Line Of Credit With Us	\$0.00
Refinancing Existing Debt.....	\$0.00	Other FI Loans	\$0.00
Insurance Premium.....	\$0.00	Other	\$0.00
Registration Fee.....	\$0.00		
Administration Fee.....	\$0.00		
CSBFA.....	\$0.00		
CALA.....	\$0.00		
Other (Specify)			
Other	\$0.00		
<b>Total \$</b>	<b>1,817,250.00</b>	<b>Total \$</b>	<b>1,817,250.00</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: Prime plus 1.00000% Floating. Current Prime 2.85000%.

Term: 60 (months)                    Amortization: 235 (months)

ON DEMAND; provided until demand shall be made by the Credit Union, the said principal and interest shall be paid by Monthly installments of \$10,981.00 each, the first payment to be made on Mar 31 2015, and a like amount every month thereafter until Feb 28 2020 at which time the total owing (inclusive of principal and interest) shall be paid.

Review Date:

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

A Skip A Payment (complete If applicable)

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows: N/A

B Electronic Disclosure Statements, Notices and Renewals (complete if applicable)

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
830511046930	\$4,179,000.00	October 23, 2013	\$4,706,753.21	\$29,175.00		
830511014060	\$50,000.00	September 03, 2013	\$140,376.04	\$0.00		
<del>830511046930</del>	<del>\$0.00</del>	<del>October 23, 2013</del>	<del>\$4,686,455.94</del>	<del>\$0.00</del>		
Subtotal Credit Union Loans (1)			<del>\$9,537,895.16</del>	\$29,175.00		

4,847,292.25 A

Other Lenders Loans

Subtotal Other Lenders Loans (2)			\$0.00	\$0.00		
Total All Loans (1 + 2)			<del>\$9,537,895.16</del>	\$29,175.00		
LESS: Loans being refinanced			\$0.00	\$0.00		
SUBTOTAL			<del>\$9,537,895.16</del>	\$29,175.00		
Loan being applied for			\$1,817,250.00	\$10,981.00		
TOTAL LOANS AFTER NEW ADVANCE			<del>\$11,355,145.16</del>	\$40,156.00		

Applicant(s) Declaration:

6,664,379.25 A

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/We also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

830511014060

(Account Number)

\$10,981.00

(Amount)

DATED, this 16 day of February, 2015, at Swift Current, Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

APPLICANT(S)

Witness

signature on document has been verified  
to the signature held on file  
verified by [Signature]

1764239 ALBERTA LTD

Witness

Witness

Witness

**Application No. 2152259**  
**Date Printed: February 04, 2015**

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address			Amount of Guarantee
BRIAN OSTRANDER	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	\$1,362,937.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
JUDY HARWOOD	BOX 1 SITE 318 RR 3 LCD MAIN, SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	\$ 454,313.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
OSTRANDER FAMILY HOLDINGS	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	\$1,362,937.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.



Application No. 2152259  
Date Printed: February 04, 2015

Witness

  
BRIAN OSTRANDER

Witness

  
JUDY HARWOOD

Witness

  
OSTRANDER FAMILY HOLDINGS LTD

Witness

Witness

Witness

Witness

Witness

Witness

Witness

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

**Application No. 2152259**  
**Date Printed: February 04, 2015**

Witness	BRIAN OSTRANDER
Witness	JUDY HARWOOD
Witness	OSTRANDER FAMILY HOLDINGS LTD
Witness	
Witness	
Witness	
Witness	
Witness	
Witness	
Witness	
Witness	

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

Date Printed: February 04, 2015

SECURITY FOR LOANS BEING APPLIED FOR	ASSET'S VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input checked="" type="checkbox"/> Land Mortgage Block 1, Plan 832LK	\$8,995,000.00		75.00	\$6,746,250.00	\$4,706,753.25		\$2,039,496.75
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$1,362,937.00 Of BRIAN OSTRANDER							
Guarantee for \$454,313.00 Of JUDY HARWOOD							
Guarantee for \$1,362,937.00 Of OSTRANDER FAMILY HOLDING							
Guarantee for \$ Of							
Guarantee for \$ Of							
Guarantee for \$ Of							
Guarantee for \$ Of							
Guarantee for \$ Of							
Guarantee for \$ Of							
Guarantee for \$ Of							
Other Security (Specify)							
<b>TOTAL VALUE OF SECURITY</b>	<b>\$8,995,000.00</b>			<b>\$6,746,250.00</b>	<b>\$4,706,753.25</b>		<b>\$2,039,496.75</b>

\* Denote as follows (A) Current Market Value (estimated by credit union) (B) Independently Appraised Value  
 (C) Depreciated Book Value (D) Book Value (Cost)  
 (E) Purchase Price

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	_____ year	_____ year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER \_\_\_\_\_

Application No. 2152259  
 Date Printed: February 04, 2015

**APPROVAL**

Date:  Approve  Decline  
 Amount: \$1,817,250.00 Rate: Floating (Prime Plus 1.00000%)  
 Term: 60 (months) Amortization: 235 (months) Payment: 10,981.00 Monthly

**SECURITY:**

Guarantee From: \$1,362,937.00  
 BRIAN OSTRANDER  
 JUDY HARWOOD \$454,313.00  
 OSTRANDER FAMILY HOLDINGS LTD \$1,362,937.00

Security Interest In  
 Block 1, Plan 632LK

Subject to: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Consumer  Agricultural  Director  Employee

**Aggregate Debt including this advance**

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$6,746,250.00	\$0.00	\$6,746,250.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$0.00	\$0.00	\$0.00
<b>Total Debt</b>	<b>\$6,746,250.00</b>	<b>\$0.00</b>	<b>\$6,746,250.00</b>

# Business Application For Credit

Application No. 2324434  
Account Holder No. \_\_\_\_\_  
Loan No. 830511511974  
Date Printed: December 17, 2015

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch  
198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD

Mailing Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4

Business Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4

Telephone: 403-9695233 Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$1,774,600.10 Term 50 (months) Amortization: 225 (months)

I/We decline the following insurance coverage:  Life  Disability  Critical Illness \_\_\_\_\_ Initials

### Purpose/Intended Use:

Loan extension to skip November and December payments, starting again on January 31, 2016.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

### Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?  
 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?  
 Yes (on Account No. 1005200);  No (complete AML 9.310)

### Where Applicant(s) is an individual:

Has Identity of Applicant(s) been previously ascertained and verified?

Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

No  Yes (complete AML 312.01)

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land . . . . .	\$0.00	Credit Union Loan . . . . .	\$1,774,600.10
New Building or Addition . . . . .	\$0.00	Chartered Bank Loan . . . . .	
Machinery and/or Equipment . . . . .	\$0.00	From Working Capital . . . . .	\$0.00
Furniture and Fixtures . . . . .	\$0.00	Shareholders Loans . . . . .	\$0.00
Vehicles . . . . .	\$0.00	Other Sources (Specify)	
Working Capital . . . . .	\$0.00	Line Of Credit With Us	\$0.00
Refinancing Existing Debt . . . . .	\$1,774,600.10	Other FI Loans	\$0.00
Insurance Premium . . . . .	\$0.00	Other	\$0.00
Registration Fee . . . . .	\$0.00		
Administration Fee . . . . .	\$0.00		
CSBFA . . . . .	\$0.00		
CALA . . . . .	\$0.00		
Other (Specify)			
Other	\$0.00		
<b>Total \$</b>	<b>1,774,600.10</b>	<b>Total \$</b>	<b>1,774,600.10</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: Prime plus 1.00000% Floating. Current Prime 2.70000%.

Term: 50 (months) Amortization: 225 (months)

ON DEMAND; provided until demand shall be made by the Credit Union, the said principal and interest shall be paid by Monthly Installments of \$10,981.00 each, the first payment to be made on Jan 31 2016, and a like amount every month thereafter until Feb 29 2020 at which time the total owing (inclusive of principal and interest) shall be paid.

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

**B Electronic Disclosure Statements, Notices and Renewals (complete if applicable)**

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
Subtotal Credit Union Loans (1)						

Other Lenders Loans

Subtotal Other Lenders Loans (2)						
Total All Loans (1 + 2)						
LESS: Loans being refinanced						
SUBTOTAL						
Loan being applied for						
TOTAL LOANS AFTER NEW ADVANCE						

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.



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I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_  
 \_\_\_\_\_  
 (Account Number) (Amount)

DATED, this 21st day of December, 2015, at Swift Current, Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Witness \_\_\_\_\_  
 Witness \_\_\_\_\_  
 Witness \_\_\_\_\_  
 Witness \_\_\_\_\_

APPLICANT(S)  
 \_\_\_\_\_  
 1764239 ALBERTA LTD  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

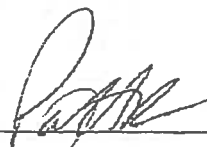

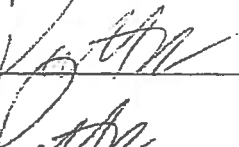
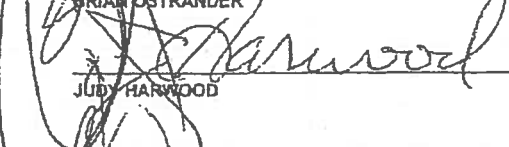
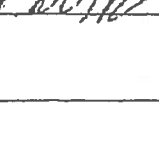
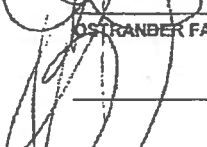
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address			Amount of Guarantee
<b>BRIAN OSTRANDER</b>	<b>1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y9</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$ 1,362,937.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<b>JUDY HARWOOD</b>	<b>BOX 1 SITE 318 RR 3 LCD MAIN, SASKATOON SK S7K3J6, Canada</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$ 454,313.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<b>OSTRANDER FAMILY HOLDINGS</b>	<b>10000 400 3 Ave SW, Calgary AB T2P 4H2, Canada</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$ 1,362,937.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
		<input type="checkbox"/> Full Loan	<input type="checkbox"/> Partial	<b>\$</b>

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2324434  
Date Printed: December 17, 2015

Witness		
Witness		
Witness		
Witness		
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Witness		
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Witness		
Witness		

BRIAN OSTRANDER

JUDY HARWOOD

OSTRANDER FAMILY HOLDINGS LTD

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

SECURITY FOR LOANS BEING APPLIED FOR	ASSET \$ VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input checked="" type="checkbox"/> Land Mortgage Plan 832LK Block 1							
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$ <u>1,362,937.00</u> Of <b>BRIAN OSTRANDER</b>							
Guarantee for \$ <u>454,313.00</u> Of <b>JUDY HARWOOD</b>							
Guarantee for \$ <u>1,362,937.00</u> Of <b>OSTRANDER FAMILY HOLDINGS</b>							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Other Security (Specify)							

TOTAL VALUE OF SECURITY

\* Denote as follows (A) Current Market Value (estimated by credit union) (B) Independently Appraised Value  
 (C) Depreciated Book Value (D) Book Value (Cost)  
 (E) Purchase Price

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	_____ year	_____ year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER \_\_\_\_\_

APPROVAL

Date:

Approve

Decline

Amount: \$1,774,600.10

Rate: Floating (Prime Plus 1.00000%)

Term: 50 (months)

Amortization: 225 (months)

Payment: 10,981.00 Monthly

SECURITY:

Guarantee From:

BRIAN OSTRANDER

\$1,362,937.00

JUDY HARWOOD

\$454,313.00

OSTRANDER FAMILY HOLDINGS LTD

\$1,362,937.00

Security Interest In

Subject to: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Consumer

Agricultural

Director

Employee

Aggregate Debt Including this advance

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured			
Secured			
Mortgage			
Government Guaranteed			
Unsecured			
Total Debt			

# Business Application For Credit

Application No. 2415318  
Account Holder No. \_\_\_\_\_  
Loan No. 830511511974  
Date Printed: May 20, 2016

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch

198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD  
Mailing Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4  
Business Address: CO ODYSSEY HOTELS GROUP, 600 CROWFOOT CROWFOOT NW UNIT 340, CALGARY, AB, T3G0B4  
Telephone: 403-9695233 Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$1,817,250.00 Term 45 (months) Amortization: 223 (months)

I/We decline the following Insurance coverage:  Life  Disability  Critical Illness \_\_\_\_\_

### Purpose/Intended Use:

Extension to skip January to May payments commencing again on June 30, 2016, with the new funds of \$42,649.10 to be used to cover outstanding accrued interest on the loans and outstanding payables related to taxes, utilities and insurance.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?

Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?

Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

Has Identity of Applicant(s) been previously ascertained and verified?

Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)  
Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)  
Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)  
Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)  
Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)  
Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

No  Yes (complete AML 312.01)

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$1,817,250.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	\$0.00
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	\$0.00
Working Capital .....	\$0.00	<u>Line Of Credit With Us</u>	\$0.00
Refinancing Existing Debt ....	\$1,817,250.00	<u>Other FI Loans</u>	\$0.00
Insurance Premium .....	\$0.00	<u>Other</u>	\$0.00
Registration Fee .....	\$0.00	_____	
Administration Fee .....	\$0.00	_____	
CSBFA .....	\$0.00	_____	
CALA .....	\$0.00	_____	
Other (Specify)	\$0.00		
<u>Other</u>			
_____			
_____			
_____			
<b>Total \$</b>	<b>1,817,250.00</b>	<b>Total \$</b>	<b>1,817,250.00</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: Prime plus 1.00000% Floating. Current Prime 2.70000%.

Term: 45 (months) Amortization: 223 (months)

**ON DEMAND;** provided until demand shall be made by the Credit Union, the said principal and interest shall be paid by Monthly installments of \$11,256.00 each, the first payment to be made on Jun 30 2016, and a like amount every month thereafter until Feb 29 2020 at which time the total owing (inclusive of principal and interest) shall be paid.

**Review Date:**

Except as otherwise agreed, each payment will be applied firstly on Interest, the balance on principal. Where loans are repayable with Interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), Instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**  
So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:  
N/A

**B Electronic Disclosure Statements, Notices and Renewals (complete if applicable)**

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.



TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
<b>Subtotal Credit Union Loans (1)</b>						

Other Lenders Loans

<b>Subtotal Other Lenders Loans (2)</b>						
<b>Total All Loans (1 + 2)</b>						
<b>LESS: Loans being refinanced</b>						
<b>SUBTOTAL</b>						
Loan being applied for						
<b>TOTAL LOANS AFTER NEW ADVANCE</b>						

**Applicant(s) Declaration:**

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/we also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

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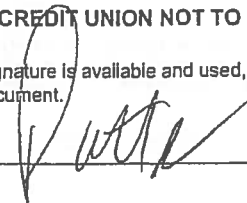
- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_  
(Amount)

DATED, this 25 day of May, 2016, at Swift Current,  
Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

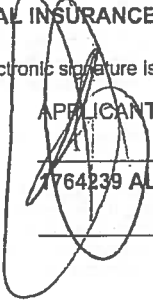
Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Witness 

Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

APPLICANT(S)  
  
1764239 ALBERTA LTD

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

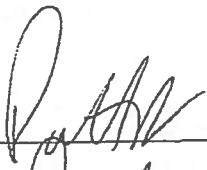
In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.


And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:


Name	Address		Amount of Guarantee
BRIAN OSTRANDER	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial	\$ 1,362,937.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
JUDY HARWOOD	BOX 1 SITE 318 RR 3 LCD MAIN, SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial	\$ 454,313.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
OSTRANDER FAMILY HOLDINGS LP	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial	\$ 1,362,937.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
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		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial	\$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____			

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2415318  
Date Printed: May 20, 2016

Witness 

Witness 

Witness 

Witness

Witness

Witness


Witness

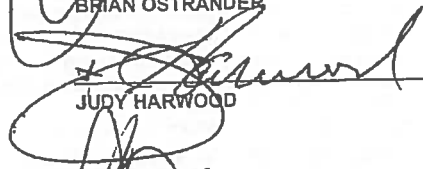
Witness


Witness

Witness

Witness

  
BRIAN OSTRANDER

  
JUDY HARWOOD

  
OSTRANDER FAMILY HOLDINGS LTD

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.



**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	0.00 :1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other	0.00	0.00	
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other	0.00	0.00	
<b>AVAILABLE TO SERVICE DEBT</b>	<b>0.00</b>	<b>0.00</b>	
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)	0.00	0.00	
<b>SURPLUS / SHORTFALL</b>	<b>0.00</b>	<b>0.00</b>	

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER \_\_\_\_\_

Application No. 2415318  
 Date Printed: May 20, 2016

**APPROVAL**

Date:  Approve  Decline  
 Amount: \$1,817,250.00 Rate: Floating (Prime Plus 1.00000%)  
 Term: 45 (months) Amortization: 223 (months) Payment: 11,256.00 Monthly

**SECURITY:**

Guarantee From:  
 BRIAN OSTRANDER  
 JUDY HARWOOD  
 OSTRANDER FAMILY HOLDINGS LTD

\$1,362,937.00  
 \$454,313.00  
 \$1,362,937.00



Security Interest In  
 Block 1, Plan 832LK

\$6,746,250.00

Subject to: \_\_\_\_\_

\_\_\_\_\_

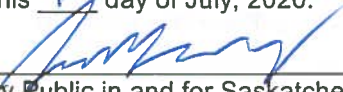
\_\_\_\_\_

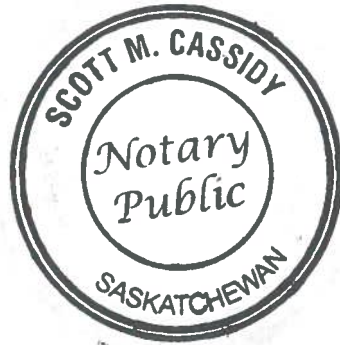
Consumer  Agricultural  Director  Employee

**Aggregate Debt including this advance**

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured			
Secured			
Mortgage			
Government Guaranteed			
Unsecured			
Total Debt			

This is Exhibit 4 to the Affidavit  
of Brad Appel sworn before me  
this 7<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024



LOAN #  
830511014060

LOC

### Business Application For Credit

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Application No. 1937277  
 Account Holder No. \_\_\_\_\_  
 Loan No. \_\_\_\_\_  
 Date Printed: **October 24, 2013**

Innovation Credit Union, Swift Current Branch  
 198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD  
 Mailing Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada  
 Business Address: 954 7 St SW, MEDICINE HAT, AB, T1A 7R7, Canada  
 Telephone: 403-969-5233 Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$50,000.00 Term \_\_\_\_\_ Amortization: \_\_\_\_\_

I/We decline the following insurance coverage:  Life  Disability  Critical Illness

Initials \_\_\_\_\_

Purpose/Intended Use:  
Line of Credit for operating expenses. Security will include an existing General Security Agreement dated September 6, 2013.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?  
 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?  
 Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

- Has identity of Applicant(s) been previously ascertained and verified?
- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

In the event any Applicant is a Politically Exposed Foreign Person complete AML 312.01.

Application No. 1937277

Date Printed: October 24, 2013

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$0.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	\$0.00
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$50,000.00	Line Of Credit With Us	\$50,000.00
Refinancing Existing Debt .....	\$0.00	Other FI Loans	\$0.00
Insurance Premium .....	\$0.00	Other	\$0.00
Registration Fee .....	\$0.00		
Administration Fee .....	\$0.00		
CSBFA .....	\$0.00		
CALA .....	\$0.00		
Other (Specify)			
Other	\$0.00		
<b>Total \$</b>	<b>50,000.00</b>	<b>Total \$</b>	<b>50,000.00</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: Prime plus 2.50000% Floating. Current Prime 3.00000%.

Term: Demand Amortization:

In accordance with the terms of the Revolving Line of Credit Agreement, payable on Demand, interest to be paid monthly.

Review Date: Oct 24 2018

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**  
 So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:  
 N/A

**B Electronic Statements (complete if applicable)**  
 I/We request the Credit Union deliver, and I/we consent to receive, periodic statements relating to my/our loans electronically, via internet banking only. By consenting to receive statements via internet banking only, I/we acknowledge that I/we will no longer receive paper statements relating to my/our loans and accounts. Electronic statements will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

## TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
830511046930	\$4,179,000.00	October 23, 2013	\$4,179,000.00	\$15,044.40		
<b>Subtotal Credit Union Loans (1)</b>			<b>\$4,179,000.00</b>	<b>\$15,044.40</b>		

## Other Lenders Loans

<b>Subtotal Other Lenders Loans (2)</b>			<b>\$0.00</b>	<b>\$0.00</b>		
<b>Total All Loans (1 + 2)</b>			<b>\$4,179,000.00</b>	<b>\$15,044.40</b>		
<b>LESS: Loans being refinanced</b>			<b>\$0.00</b>	<b>\$0.00</b>		
<b>SUBTOTAL</b>			<b>\$4,179,000.00</b>	<b>\$15,044.40</b>		
<b>Loan being applied for</b>			<b>\$50,000.00</b>	<b>\$229.16</b>		
<b>TOTAL LOANS AFTER NEW ADVANCE</b>			<b>\$4,229,000.00</b>	<b>\$15,273.56</b>		

## Applicant(s) Declaration:

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit Union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/we acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.

Application No. 1937277  
Date Printed: October 24, 2013

I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/We also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/We authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and I specifically direct and authorize such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. I/We understand that I/We can ask the Credit Union to stop using the information to offer other products or services at any time.

I/We also understand that I/We may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/We agree to notify the Credit Union of any changes in my/our information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/We will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/We receive from the Credit Union; and I/We authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/We authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/We deal with now or in the future. I/We further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/We will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/We have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/We are authorizing the Credit Union to communicate with us electronically via that medium. I/We recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/We acknowledge and agree that the Credit Union will not be responsible for any damages I/We may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/We also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/We collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/We authorize payment of the amount by auto transfer from the account number indicated. I/We warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_  
(Amount)

(Account Number) \_\_\_\_\_

DATED, this 29 day of October, 2013, at Swift Current, Saskatchewan.

**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE APPLICANT HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Witness [Signature]

Witness \_\_\_\_\_

Witness \_\_\_\_\_

Witness \_\_\_\_\_

APPLICANT(S)  
[Signature]  
1764239 ALBERTA LTD

**Application No. 1937277**  
**Date Printed: October 24, 2013**

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for herein to the Applicant(s), I/we hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information as may be necessary about me/us for the purposes described. The Credit Union may use the information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

And I/we further agree if payment is not made as provided, to pay the fees and charges as detailed in the application herein. I/we further agree to execute in favour of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address			Amount of Guarantee
<b>BRIAN OSTRANDER</b>	<b>230 GRIZZLY RISE COCHRANE AB T4C0B5, Canada</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$ 37,500.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<b>JUDY HARWOOD</b>	<b>BOX 1 SITE 318 RR, 3 LCD MAIN SASKATOON SK S7K3J6, Canada</b>	<input type="checkbox"/> Full Loan	<input checked="" type="checkbox"/> Partial	<b>\$ 12,500.00</b>
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
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<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____				

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 1937277  
Date Printed: October 24, 2013

Witness

BRIAN OSTENDER

Witness

JUDY HARWOOD

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.

SECURITY FOR LOANS BEING APPLIED FOR	ASSET \$ VALUE	*BASIS	%	LENDING VALUE	PRIOR ENCUMBRANCES		
					AMOUNT	CREDITOR	SURPLUS
<input type="checkbox"/> Land Mortgage							
<input type="checkbox"/> CSBFA							
<input type="checkbox"/> Promissory Note							
<input checked="" type="checkbox"/> Line of Credit Agreement							
<input type="checkbox"/> Quick Loan Agreement							
<input type="checkbox"/> Specific Security Agreement							
<input checked="" type="checkbox"/> General Security Agreement							
Guarantee for \$37,500.00 Of BRIAN OSTRANDER							
Guarantee for \$12,500.00 Of JUDY HARWOOD							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Guarantee for \$ _____ Of _____							
Other Security (Specify)							
<b>TOTAL VALUE OF SECURITY</b>							

\* Denote as follows (A) Current Market Value (estimated by credit union) (B) Independently Appraised Value  
 (C) Depreciated Book Value (D) Book Value (Cost)  
 (E) Purchase Price

**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER

Pat Boser



Application No. 1937277  
Date Printed: October 24, 2013

APPROVAL

Date:

Approve

Decline

Amount: \$50,000.00

Rate: Floating (Prime Plus 2.50000%)

Term:

Amortization:

Payment:

SECURITY:

Guarantee From:  
BRIAN OSTRANDER  
JUDY HARWOOD

\$37,500.00

\$12,500.00

Security Interest In

Subject to: \_\_\_\_\_

Pat Boser \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Consumer     Agricultural     Director     Employee

Aggregate Debt Including this advance

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$4,179,000.00	\$0.00	\$4,179,000.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$50,000.00	\$0.00	\$50,000.00
Total Debt	\$4,229,000.00	\$0.00	\$4,229,000.00

**FARM/BUSINESS  
LINE OF CREDIT AGREEMENT**

Application No: 1937277  
Application Holder No. 1005200  
Loan No. \_\_\_\_\_

Name(s) & Address In Full:

1764239 ALBERTA LTD

954 7 St SW MEDICINE HAT AB T1A 7R7

(in the Province of Saskatchewan, (hereinafter referred to as "You", "Yours", or the "Borrower")

**IN CONSIDERATION OF:**

**Innovation Credit Union, Swift Current Branch**  
(Hereinafter called "the Credit Union")

**198 First Ave NE, Swift Current, SK, S9H 2B2, Canada**

agreeing to lend to the Borrower sums of money by way of a revolving line of credit not to exceed the principal sum of  
**\$ 50,000.00** fifty thousand dollars

upon the terms and conditions hereinafter set forth. **THE BORROWER COVENANTS AND AGREES WITH THE CREDIT UNION AS FOLLOWS:**

- 1. ADVANCES**  
Any portion of the line of credit from time to time available to the Borrower may be accessed by the Borrower by Issuing orders drawn on the Credit Union, (hereinafter referred to as "cheque" or "cheques") or by any other authorized member initiated debit transaction (all of which shall be considered an advance or a loan to the Borrower on the line of credit subject to the terms of this agreement).
- 2. ADVANCES NOT TO EXCEED AUTHORIZED LIMIT**  
Advances are not to exceed the Authorized Limit and the Credit Union is not bound or obliged to honour any cheque or permit any transaction, if by doing so the loan exceeds or would after such payment or transaction exceed the Authorized Limit. If however, the Credit Union in its absolute discretion chooses to do so the amount of such cheque or transaction shall be considered an overdraft and bear interest at the Overdraft Rate.  
  
It is expressly understood that the Credit Union shall be under no obligation to honour any such cheque or permit any such transaction and that any decision to allow the same shall be in the sole and absolute discretion of the Credit Union. The Borrower further acknowledges that no agreement either expressed or implied shall separately result from or be implied from any decision by the Credit Union to honour any such cheque or permit any such transaction, and that any such decision shall not in any way affect or prejudice the rights of the Credit Union to thereafter refuse to permit any such transaction or honour any such cheque.
- 3. INTEREST**  
The Borrower agrees to pay interest to the Credit Union on all amounts advanced up to the Authorized Limit, as well after as before maturity, default or judgment as follows:  
**Interest shall be payable on the Loan at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus 2.50000% per annum.**  
**At the time of making this Agreement the Prime Rate of Interest of the Credit Union is 3.00000% per annum.**
- 4. ACCRUAL AND PAYMENT OF INTEREST**  
All interest accrues daily and is payable on the last day of each and every month during which there are sums outstanding and owing hereunder, provided if interest is not paid as required the Credit Union is hereby authorized and directed to advance such sums on the line of credit as may be required to pay the interest and such advance shall be considered an advance or loan on the terms of this line of credit and shall bear interest at the applicable rate from the date of such advance.
- 5. OVERDRAFT RATE**  
If for any reason advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to over-drafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Member. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.
- 6. COMPOUND INTEREST ON DEFAULT**  
On default of payment of any sum to become due for interest at any time appointed for payment compound interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid compounded monthly.
- 7. NOMINAL RATE**  
The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.
- 8. ADVANCES AND DEPOSITS**  
All sums advanced to the Borrower on the line of credit shall be debited to the line of credit and interest shall be charged on all sums from the date of the advance. All sums paid by the Borrower or deposited into the Borrower's line of credit or linked deposit account shall be credited on the date of receipt of funds. Where the line of credit is linked to a deposit account all credits and debits shall be handled by means of electronic funds transfer and to the extent necessary the Borrower hereby authorizes such electronic funds transfer. All deposits and electronic funds transfer to the line of credit are a payment on the line of credit and for the purpose of *The Personal Property Security Act* constitute a debtor initiated payment. If any cheque deposited to the account is subsequently dishonored for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan.

Date Printed: October 24, 2013

9. **REPAYMENT**

The Borrower agrees to repay all advances on the line of credit together with all interest thereon; ON DEMAND. A demand shall terminate any obligation of the Credit Union to make further advances to the Borrower on the line of credit. It is also acknowledged and agreed that the Borrower shall have the right to repay all sums due on the line of credit including interest at any time without notice, bonus or penalty.

10. **CONVERSION OF EXISTING LINE OF CREDIT**

In the event the Borrower has an existing line of credit which is intended to be replaced by this agreement, the existing line of credit will be converted to and be governed by the terms of this agreement. Everyone who signs this agreement understands and agrees that the present balance owing, as well as any future amounts advanced under this agreement, will be considered to be amounts advanced under this agreement, and agrees to pay all such advances with interest as provided for in this agreement. In addition, it is agreed that all terms and conditions set forth in the original security taken for the amounts advanced under the existing line of credit, except as may be amended by this agreement or any other amendment agreement executed in conjunction with this agreement, shall continue in full force and effect and nothing herein is intended to or shall have the effect of discharging, merging, replacing or rendering unenforceable the original security taken for the amounts advanced under the existing line of credit agreement, and all such security shall apply to and secure advances made under this agreement. Any default under this agreement shall be deemed to be a default under the security.

11. **TERMINATION**

This agreement shall also terminate at the option of the Credit Union:

(a) Immediately, without notice, if the Borrower is in arrears on any Credit Union loan, becomes insolvent, commits an act of bankruptcy or upon the death of the Borrower, or

(b) By notice to the Borrower indicating the date of termination, provided that the parties agree that the Credit Union shall not in any event, be required to give more than seven (7) days notice of such termination. If the Credit Union gives notice of termination it may restrict advances or require other special arrangements be made in order to continue to honour cheques or allow transactions prior to the date of termination.

On termination all sums owing including interest are immediately due and payable. In the event of non-payment, the Credit Union may realize on all security granted by the Borrower. In any case, the Credit Union shall not be obliged or required to honour any cheque or allow any transaction after the date of termination of this agreement.

12. **REVIEW DATE**

The Line of Credit may, at the option of the Credit Union, be reviewed at a date specified ("the Review Date") in any application for loan or commitment letter and hereafter as frequently as may be required by the Credit Union. At the Review Date the Credit Union may modify or vary the terms of the Line of Credit, including reducing the Authorized Limit and the Borrower agrees to execute such documents as may be required to give effect to this provision including a new Revolving Line of Credit Agreement or such Amendment or Conversion Agreement as may be required. In the event the Credit Union requires execution of a new Revolving Line of Credit Agreement the balance outstanding on this agreement as well as any future advances shall be treated as and considered to be advances under the new Revolving Line of Credit Agreement and be due and payable in accordance with the terms of the new Revolving Line of Credit Agreement or Amendment Agreement.

13. **LIMIT OF AGGREGATE AMOUNT ADVANCED OR REDUCE AUTHORIZED LIMIT**

In addition to the rights of the Credit Union at the Review Date the Credit Union shall have the right at any time during the currency of this agreement, by notice to the Borrower, to limit the aggregate amount to be advanced hereunder or to reduce the Authorized Limit. The Credit Union shall also have the right to limit advances as provided for in paragraph 16 hereof.

14. **SERVICE OF NOTICES**

Unless otherwise specifically stated, service of any notice under this agreement may be made on the Borrower either personally or by forwarding a letter to the Borrower by ordinary post to the address of the Borrower listed in the Credit Union's records. A notice sent by post shall be deemed to have been received by the Borrower forty-eight (48) hours after it was posted.

15. **USE OF ADVANCES**

The Borrower agrees to use the advances made on the line of credit agreement in accordance with the purposes as represented to the Credit Union on the application for credit.

16. **MARGIN LIMITS**

Notwithstanding the Authorized Limit, the amount available on the line of credit shall not exceed a sum equal to:

(a) per cent of the cost or market value, whichever is the lesser, of all inventory of the Borrower, and/or

(b) per cent of the principal amount of all accounts receivable not more than 0 days old.

In the event the amount under the line of credit exceeds the Margin Limit, the Borrower shall immediately pay to the Credit Union a sum equal to the excess.

17. **FINANCIAL REPORTS**

The Borrower shall provide the Credit Union with financial reports showing, among other things, the value of inventory owned and accounts receivable outstanding. The financial reports shall be provided at such times in such manner as the Credit Union may request. Unless the Credit Union shall otherwise advise in writing, the financial reports shall be provided **Annually**

The Borrower agrees to provide such further financial or other reports or information as the Credit Union may require from time to time.

18. **LIEN ON SHARES AND DEPOSITS**

The Borrower acknowledges that the Credit Union has a lien upon any share held by the Borrower and any amount standing to the credit of the Borrower or his legal representative with the Credit Union for amounts due on the line of credit and that the Credit Union may enforce the lien in any manner and apply any monies to the credit of the Borrower toward payment of the amount due by the Borrower to the Credit Union on the line of credit.

19. **SECURITY GRANTED**

The security hereby granted by the Borrower together with any substituted security that may be granted by the Borrower to the Credit Union in the future shall be held by the Credit Union as a continuing security for the payment and satisfaction of all debts and liabilities which are now or at any time hereafter due, owing or incurred by the Borrower under this agreement and notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again. The Borrower agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

No right or remedy of the Credit Union under this agreement or which the Credit Union may have at law shall be exclusive of or dependent upon any right, remedy or agreement but any one or more of such rights, remedies or agreements may from time to time be exercised independently or in combination.

The Borrower shall also agree to deliver forthwith to the Credit Union such additional security as may be required by the Credit Union, from time to time, and in the event of failure by the Borrower to do so, the Credit Union may in its discretion cease or refrain from making further loans or advances to the Borrower under this agreement or limit the aggregate amount to be advanced hereunder or reduce the Authorized Limit.

Date Printed: October 24, 2013

PL 3.086 (05/11)

20. **REMEDIES ON DEFAULT**

If the Borrower shall make default in payment of the amounts advanced on the line of credit or fail to perform any covenant or condition required herein, the Credit Union shall be entitled to exercise all rights or remedies available to it by law for collection of all sums outstanding herein, including seizure and/or sale of all property pledged as security for this agreement. All monies realized by the Credit Union from any security granted by the Borrower shall be applied in repayment of the amount owing under this agreement. The Borrower shall be liable for and forthwith pay any deficiency remaining after realization of any such security.

21. **PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

22. **ADVANCES THROUGH ERROR**

In the event that the Credit Union advances to or for the Borrower sums through error, through any other agreement or otherwise, the terms of this agreement shall apply to such advance unless otherwise agreed.

23. **CORPORATE WAIVER OF PROVISIONS**

And it is further agreed that the following paragraph applies only if the Borrower is a corporation body, in which case the Borrower also covenants and agrees with the Credit Union:

- (a) That *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this agreement;
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this agreement, any charge or other security for the payment of money made, given or created by this agreement or any agreement renewing or extending this agreement and shall in no way limit the rights, powers or remedies of the Credit Union granted herein.

24. **APPLICABLE LAW**

This agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

25. **OBLIGATIONS, JOINT AND SEVERAL**

This agreement shall ensure to the benefit of and be binding upon the parties hereto, their respective successors, heirs and assigns. If more than one Borrower executes this agreement, the obligation of each Borrower hereunder shall be joint and several.

26. **ELECTRONIC DOCUMENTS AND SIGNATURE**

This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.

27. **HEADINGS AND MARGINAL NOTES**

The Borrower covenants and agrees with the Credit Union that the headings and marginal notes are included in this agreement only for convenience, and do not form part of the covenants, provisos and agreements herein contained.

28. **ADDITIONAL TERMS AND CONDITIONS**

The additional terms and conditions set forth on the Schedule(s) hereto shall form part of and are incorporated into this Agreement.

29. **PRIVACY**

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

IN WITNESS WHEREOF, the Debtor has hereunto signed, sealed and delivered this agreement this 29<sup>th</sup> day of October, 2013, at Swift Current Calgary, Saskatchewan Alberta.

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF MAKER IS A CORPORATION, BOARD OF EDUCATION, MUNICIPALITY OR REGIONAL HEALTH AUTHORITY, ETC.:

1764239 ALBERTA LTD.

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

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

AFFIX CORPORATE SEAL HERE

Date Printed: October 24, 2013

**Date Printed: October 24, 2013**

**SCHEDULE OF ADDITIONAL TERMS AND CONDITIONS**

Page 4 of 4

**Application No. 1937277**

The Schedule forms part of and is incorporated into the Revolving Line of Credit Agreement dated **October**, 2013

# Business Application For Credit

Application No. 2130342

Account Holder No. \_\_\_\_\_

Loan No. 830511014060

Date Printed: December 08, 2014

- Term Loan
- Revolving Line of Credit
- Quick Loan
- Letter of Credit
- Mortgage Loan

Innovation Credit Union, Swift Current Branch

198 First Ave NE, Swift Current, SK, S9H 2B2

(Hereinafter called "the Credit Union")

APPLICANTS - N.B. Where the Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization), complete EDF 313.01 unless all entity information is the same as on EDF 313.01 dated \_\_\_\_\_.

Name(s) of Applicant(s): 1764239 ALBERTA LTD

Trade Name: 1764239 ALBERTA LTD

Mailing Address: 954 7th ST SW, MEDICINE HAT, AB, T1A 7R7, Canada

Business Address: 954 7th ST SW, MEDICINE HAT, AB, T1A 7R7, Canada

Telephone: 403-969-5233 Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(Hereinafter called "the Applicant(s)")

Amount of Loan request \$250,000.00 Term Demand Amortization: \_\_\_\_\_

I/We decline the following insurance coverage:  Life  Disability  Critical Illness \_\_\_\_\_ Initials \_\_\_\_\_

**Purpose/Intended Use:**  
Readvanceable credit for business operating expenses.

Is there a third party instructing what happens with this account?  No  Yes (complete AML 9.330)

Where Applicant(s) is an entity (entity includes corporation, partnership and unincorporated organization)

Is a current completed AML 313.01 on file?  
 Yes (on Account No. 1005200);  No (complete applicable AML 313.01)

Has identity of signing authorities been previously ascertained and verified?  
 Yes (on Account No. 1005200);  No (complete AML 9.310)

Where Applicant(s) is an individual:

- Has identity of Applicant(s) been previously ascertained and verified?
- Applicant No. 1  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 2  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 3  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 4  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 5  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)
  - Applicant No. 6  Yes (on Account No. \_\_\_\_\_);  No (complete AML 9.310)

Is Applicant a Politically Exposed Foreign Person?

No  Yes (complete AML 312.01)

ESTIMATED PROGRAM COSTS		METHOD OF FINANCING	
Land .....	\$0.00	Credit Union Loan .....	\$0.00
New Building or Addition .....	\$0.00	Chartered Bank Loan .....	
Machinery and/or Equipment ..	\$0.00	From Working Capital .....	\$0.00
Furniture and Fixtures .....	\$0.00	Shareholders Loans .....	\$0.00
Vehicles .....	\$0.00	Other Sources (Specify)	
Working Capital .....	\$250,000.00	<u>Line Of Credit With Us</u>	\$250,000.00
Refinancing Existing Debt .....	\$0.00	<u>Other FI Loans</u>	\$0.00
Insurance Premium .....	\$0.00	<u>Other</u>	\$0.00
Registration Fee .....	\$0.00	_____	
Administration Fee .....	\$0.00	_____	
CSBFA .....	\$0.00	_____	
CALA .....	\$0.00		
Other (Specify)			
<u>Other</u>	\$0.00		
_____			
_____			
_____			
_____			
<b>Total \$</b>	<b>250,000.00</b>	<b>Total \$</b>	<b>250,000.00</b>

Time and manner of payment: (suggested terms only - terms may vary on approval)

Interest Payable At: Prime plus 1.50000% Floating. Current Prime 3.00000%.

Term: Demand Amortization:

In accordance with the terms of the Revolving Line of Credit Agreement, payable on Demand, interest to be paid monthly.

**Review Date: Jan 31 2015**

Except as otherwise agreed, each payment will be applied firstly on interest, the balance on principal. Where loans are repayable with interest calculated on the basis of the Credit Union Prime Rate of Interest, plus a percentage (Floating Rate), instalments may fluctuate according to changes in Prime.

**A Skip A Payment (complete if applicable)**

So long as any qualifying and notice requirements are met at the time, the Credit Union may allow a regular payment on the loan to be skipped. The unpaid amount resulting from the skipped payment will be handled as follows:

N/A

**B Electronic Disclosure Statements, Notices and Renewals (complete If applicable)**

I/we request the Credit Union deliver, and I/we consent to receive loan and disclosure statements, notices and renewals relating to my/our loans electronically. By consenting to receive such statements, notices and renewals electronically, I/we acknowledge that I/we will no longer receive paper statements, notices and renewals relating to my/our loans and accounts. Electronic statements received online only will be available online for a limited time from the statement date. Should I/we require a permanent record I/we will print or save a copy of any statements I/we require.

TO BE COMPLETED IN DETAIL

Credit Union Existing Loans	Original Amount	Date Opened	Present Balance	Payment	Arrears	Secured By
Subtotal Credit Union Loans (1)						

Other Lenders Loans

Subtotal Other Lenders Loans (2)						
Total All Loans (1 + 2)						
LESS: Loans being refinanced						
SUBTOTAL						
Loan being applied for						
TOTAL LOANS AFTER NEW ADVANCE						

Applicant(s) Declaration:

I/We Agree that any loan granted by the Credit Union to me/us shall be subject to the following terms and conditions which terms and conditions shall be deemed to be part of the loan contract:

- 1) All statements in this application and the net worth statement are correct.
- 2) I/we acknowledge and understand that the Credit Union is relying on the accuracy of all information contained in the application and in the net worth statement for the purpose of granting credit to me/us.
- 3) If, between the time of this application and the advancing of funds, the Credit Union has reason to believe that any of the information which I/we provided is incorrect or there is a material change in my/our circumstances, the Credit Union will be under no obligation to advance any funds.
- 4) I/we will execute in favour of and deliver to the Credit Union such documents as the Credit Union may require for the granting of the loan(s) including, but not restricted to, all mortgages, promissory notes, security agreements, assignments, life, fire or other insurance policies and I/we further agree to provide such additional security as the Credit union may from time to time require for the maintenance of the loan(s). The provisions and terms of this application and any approval shall survive the preparation, execution and registration of the security for the loan and the advance of funds. There shall be no merger of these provisions with the security granted. To the extent that if there is any conflict or inconsistency between the terms of this agreement and the security of the loan, the terms of the security shall prevail.
- 5) At the request of the Credit Union, I/we will provide the Credit Union with a written acknowledgment of the amount outstanding. I/we authorize the Credit Union to automatically transfer payments from My/Our account(s) to pay the loan and agree such payments shall constitute an acknowledgment of the debt on the date(s) on which the payments were transferred. For the purpose of *The Limitations Act* and making payments, you agree that all borrowers are considered agents of each other.
- 6) I/We acknowledge and accept this as written notice that the credit union will be collecting and gathering personal, financial and credit information from and about me/ us (Information) to:
  - (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
  - (ii) determine my/our financial situation and make decisions about loan or credit applications;
  - (iii) administer, monitor and service my/our account and collect my/our loan;
  - (iv) administer and manage security and risk in relation to my/our loan and any of my/our accounts and the financial services provided to me/us;
  - (v) comply with legal, security and regulatory requirements;
  - (vi) assist in dispute resolution;
  - (vii) understand my/our needs and eligibility for products or services;
  - (viii) offer and provide me/us with the other products and services of the credit union and of its affiliates and service suppliers.



I/We understand the credit union requires and may use my/our Social Insurance or Business Number as may be applicable as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. I/we also understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service.

I/We understand that the Credit Union needs my/our consent to collect, use and disclose Information gathered about me/us except when the law allows the Credit Union to do so without my/our consent. For that purpose, I/we authorize, consent to, and accept this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such Information about me/us at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such Information and I specifically direct and authorize such entities to provide Information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use Information at any time in connection with my/our loans, including enforcement purposes. The Credit Union may share and exchange Information with any guarantor of the loan or any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. The Credit Union may use this Information for so long as it is needed for the purposes described. I/We understand that I/we can ask the Credit Union to stop using the Information to offer other products or services at any time.

I/We also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time. I/We understand it is necessary to keep my/our information current and I/we agree to notify the Credit Union of any changes in my/our Information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, Information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the Information through the laws of Canada and the United States.

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

- 7) I/we will from time to time, upon request of the Credit Union, provide them with any information that they may require concerning the operation of my/our business enterprise and permit the Credit Union or its agents to inspect security pledged in support of any financing I/we receive from the Credit Union; and I/we authorize the Credit Union or its agents to obtain from any creditor, person, or credit reporting agency or for those said persons, creditors or agencies to provide such information as may be required by the Credit Union at any time; and I/we authorize that any information obtained in the course of such investigations any other information presently in the possession of the Credit Union may be exchanged with other credit reporting agencies or creditors with whom I/we deal with now or in the future. I/we further authorize the Credit Union to provide such information it deems appropriate to any person(s) and/or corporation who is to co-make or guarantee the requested loan(s), or who is presently co-maker or guarantor of existing loans.
- 8) I/we will pay all costs in connection with this loan application, including any appraisal fees, costs, associated with the preparation and registration of any security documents and any costs incurred by the Credit Union in collecting the funds advanced pursuant to this application including cost of realization and legal fees on a solicitor/client basis.
- 9) In the event of default of any payment or in default of any term hereof, the entire amount of my/our indebtedness to the Credit Union shall, at the option of the Credit Union, become immediately due and payable.
- 10) Unless the box on page 1 is checked to indicate otherwise, I/We represent the loan is not to be used by or on behalf of a third party.
- 11) If I/we have provided the Credit Union with a fax number, email address, cell phone number or contact information for any other electronic communication medium, I/we are authorizing the Credit Union to communicate with us electronically via that medium. I/we recognize such electronic communications may not be completely secure and agree to accept that risk and to take the steps we deem necessary to ensure the medium is secure. I/we acknowledge and agree that the Credit Union will not be responsible for any damages I/we may incur in the event that a third party obtains access to confidential information via the electronic communication exchange. I/we also authorize and direct the Credit Union to accept instruction sent from that contact number or address which shall be received and accepted by the Credit Union as a communication and direction from all of us who have signed this Agreement and I/we collectively agree to be bound by any such communication or direction received by the Credit Union or sent to us by the Credit Union at that number or address.
- 12) This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.
- 13) When an account number and amount is completed in this paragraph, I/we authorize payment of the amount by auto transfer from the account number indicated. I/we warrant that the signatures set out below are signatures of persons authorized to sign on the account number specified.

\$ \_\_\_\_\_

(Account Number) (Amount)

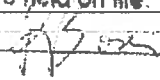
DATED, this 22 day of December, 2014, at Swift Current, Saskatchewan.

**PRIVACY NOTICE: THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS YOU HAVE ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

APPLICANT(S)   
 \_\_\_\_\_  
 1764239 ALBERTA LTD

Witness Signature on document has been verified to the signature held on file.

Witness Verified by: 

Witness \_\_\_\_\_

Witness \_\_\_\_\_

**AGREEMENT OF GUARANTOR**

In consideration of the Credit Union granting the loan applied for to the Applicant(s), I/We hereby guarantee repayment of the said loan, in accordance with the terms established for repayment including any amendment to the loan or extension of time for payment and agree to execute a Guarantee in favour of the Credit Union, and to be bound by all of the terms and conditions set out in this Application and in the Guarantee.

In providing a guarantee to the Credit Union in connection with the loan applied for I/we acknowledge that the Credit Union may be collecting and gathering personal, financial and credit information (Information) from and about me/us to:

- (i) obtain credit reports and evaluate my/our credit rating and credit worthiness;
- (ii) determine my/our financial situation and make decisions about the said loan;
- (iii) administer, monitor and collect the said loan;
- (iv) comply with legal, security and regulatory requirements.

I/we acknowledge and agree that the Credit Union may share information with the Applicant(s) where, in the opinion of the Credit Union, any change in the information affects the ability to collect the loan and may share Information with any other lender or credit grantor that is participating in the loan or who may receive an assignment of all or part of the loan. To the extent necessary I/we hereby consent to the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such Information as may be necessary about me/us for the purposes described. The Credit Union may use the Information for so long as it is needed for such purposes.

I/we understand that the Credit Union requires and may use my/our Social Insurance or Business Number as an aid to identify me/us with credit bureaus and other financial institutions for credit matching purposes. I/we understand that the provision of my/our Social Insurance Number for credit matching purposes is optional and is not a condition of service. I/we also understand that I/we may ask the Credit Union to stop using my/our Social Insurance Number for credit matching purposes at any time.

In the process of administering loans, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, Information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the Information through the laws of Canada and the United States.

And I/we further agree if payment is not made as provided, to pay liquidated damages and taxable costs as detailed in the application. I/we further agree to execute in favor of and deliver to the Credit Union the following additional security for the repayment of the loan:

Name	Address	Amount of Guarantee
BRIAN OSTRANDER	1010 ARBOUR ARBOUR LAKE NW, UNIT 2125, CALGARY AB T3G4Y8	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$ 187,500.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
JUDY HARWOOD	BOX 1 SITE 318 RR, 3 LCD MAIN SASKATOON SK S7K3J6, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$ 62,500.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
OSTRANDER FAMILY HOLDINGS	10000 400 3 Ave SW, Calgary AB T2P 4H2, Canada	<input type="checkbox"/> Full Loan <input checked="" type="checkbox"/> Partial \$ 187,500.00
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____
<input type="checkbox"/> Check if existing Guarantee and Postponement of Claim to apply. Date of Guarantee: _____		
		<input type="checkbox"/> Full Loan <input type="checkbox"/> Partial \$ _____

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

Application No. 2130342  
Date Printed: December 08, 2014

*[Handwritten signature]*  
\_\_\_\_\_  
Witness

*[Handwritten signature]*  
\_\_\_\_\_  
Witness

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Witness

*[Handwritten signature]*  
\_\_\_\_\_  
BRIAN OSTRANDER

*[Handwritten signature]*  
\_\_\_\_\_  
JUDY HARWOOD

*[Handwritten signature]*  
\_\_\_\_\_  
OSTRANDER FAMILY HOLDINGS LTD

NB. COMPLETE GUARANTEE IF GUARANTEE REQUIRED. COMPLETE SEPARATE SECURITY AGREEMENT OR MORTGAGE, AS APPLICABLE, WHERE GUARANTOR IS PROVIDING SECURITY.



**KEY RATIOS**

	Current Year	Previous Year	Industry Average
<b>WORKING CAPITAL</b> Current assets MINUS Current Liabilities	\$ 0.00	\$ 0.00	N/A
<b>CURRENT RATIO</b> Current Assets Current Liabilities	0.00 :1	:1	0.00 :1
<b>GROSS PROFIT MARGIN</b> Gross Profit X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>NET PROFIT MARGIN</b> Net Income X 100 Total Sales	0.00 %	0.00 %	0.00 %
<b>EQUITY POSITION</b> Equity (- Goodwill) X 100 Assets (- Goodwill)	0.00 %	0.00 %	0.00 %
<b>DEBT/EQUITY</b> Debt Equity (- Goodwill)	0.00 :1	0.00 :1	0.00 :1
<b>INVENTORY TURNOVER</b> Cost of Goods Average Inventory	0.00	0.00	0.00

**FUNDS TO SERVICE DEBT**

	year	year	Projected Year
Net Income (After tax for Corporations)			
Add			
Depreciation / Amortization			
Interest			
Other			
Deduct:			
Drawings			
Income Tax Payable (Partnership or Sole Proprietor)			
Dividends			
Other			
<b>AVAILABLE TO SERVICE DEBT</b>			
Deduct:			
Loan Payments (Principal, Interest and L/C Interest)			
<b>SURPLUS / SHORTFALL</b>			

**RECOMMENDATION**

Comments & Recommendations:

INTERVIEWER

**APPROVAL**

Date:  Approve  Decline  
 Amount: \$250,000.00 Rate: Floating (Prime Plus 1.50000%)  
 Term: Amortization: Payment:

**SECURITY:**

Guarantee From:  
 BRIAN OSTRANDER \$187,500.00  
 JUDY HARWOOD \$62,500.00  
 OSTRANDER FAMILY HOLDINGS LTD \$187,500.00

Security Interest In  
 Block 1, Plan 832LK

Subject to: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Consumer  Agricultural  Director  Employee

**Aggregate Debt including this advance**

	Applicant Debt	Contingent Liabilities	Total Debts
Fully Secured	\$0.00	\$0.00	\$0.00
Secured	\$0.00	\$0.00	\$0.00
Mortgage	\$4,929,000.00	\$0.00	\$4,929,000.00
Government Guaranteed	\$0.00	\$0.00	\$0.00
Unsecured	\$50,000.00	\$0.00	\$50,000.00
Total Debt:	\$4,979,000.00	\$0.00	\$4,979,000.00

**FARM/BUSINESS  
LINE OF CREDIT AGREEMENT**

Application No: 2130342  
Application Holder No. 1005200  
Loan No. 830511014060

Name(s) & Address in Full:

1764239 ALBERTA LTD

954 7th ST SW MEDICINE HAT AB T1A 7R7

(in the Province of Saskatchewan, (hereinafter referred to as "You", "Yours", or the "Borrower")

IN CONSIDERATION OF:

Innovation Credit Union, Swift Current Branch  
(Hereinafter called "the Credit Union")

198 First Ave NE, Swift Current, SK, S9H 2B2, Canada

agreeing to lend to the Borrower sums of money by way of a revolving line of credit not to exceed the principal sum of

\$ 250,000.00 two hundred fifty thousand dollars

upon the terms and conditions hereinafter set forth, THE BORROWER COVENANTS AND AGREES WITH THE CREDIT UNION AS FOLLOWS:

1. **ADVANCES**  
Any portion of the line of credit from time to time available to the Borrower may be accessed by the Borrower by issuing orders drawn on the Credit Union, (hereinafter referred to as "cheque" or "cheques") or by any other authorized member initiated debit transaction (all of which shall be considered an advance or a loan to the Borrower on the line of credit subject to the terms of this agreement).
2. **ADVANCES NOT TO EXCEED AUTHORIZED LIMIT**  
Advances are not to exceed the Authorized Limit and the Credit Union is not bound or obliged to honour any cheque or permit any transaction, if by doing so the loan exceeds or would after such payment or transaction exceed the Authorized Limit. If however, the Credit Union in its absolute discretion chooses to do so the amount of such cheque or transaction shall be considered an overdraft and bear interest at the Overdraft Rate.  
  
It is expressly understood that the Credit Union shall be under no obligation to honour any such cheque or permit any such transaction and that any decision to allow the same shall be in the sole and absolute discretion of the Credit Union. The Borrower further acknowledges that no agreement either expressed or implied shall separately result from or be implied from any decision by the Credit Union to honour any such cheque or permit any such transaction, and that any such decision shall not in any way affect or prejudice the rights of the Credit Union to thereafter refuse to permit any such transaction or honour any such cheque.
3. **INTEREST**  
The Borrower agrees to pay interest to the Credit Union on all amounts advanced up to the Authorized Limit, as well after as before maturity, default or judgment as follows:  
**Interest shall be payable on the Loan at the rate of interest equal to the Prime Rate of interest of the Credit Union declared from time to time, plus 1.50000% per annum.**  
**At the time of making this Agreement the Prime Rate of Interest of the Credit Union is 3.00000% per annum.**
4. **ACCRUAL AND PAYMENT OF INTEREST**  
All interest accrues daily and is payable on the last day of each and every month during which there are sums outstanding and owing hereunder, provided if interest is not paid as required the Credit Union is hereby authorized and directed to advance such sums on the line of credit as may be required to pay the interest and such advance shall be considered an advance or loan on the terms of this line of credit and shall bear interest at the applicable rate from the date of such advance.
5. **OVERDRAFT RATE**  
If for any reason advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to over-drafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Member. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.
6. **COMPOUND INTEREST ON DEFAULT**  
On default of payment of any sum to become due for interest at any time appointed for payment compound interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid compounded monthly.
7. **NOMINAL RATE**  
The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.
8. **ADVANCES AND DEPOSITS**  
All sums advanced to the Borrower on the line of credit shall be debited to the line of credit and interest shall be charged on all sums from the date of the advance. All sums paid by the Borrower or deposited into the Borrower's line of credit or linked deposit account shall be credited on the date of receipt of funds. Where the line of credit is linked to a deposit account all credits and debits shall be handled by means of electronic funds transfer and to the extent necessary the Borrower hereby authorizes such electronic funds transfer. All deposits and electronic funds transfer to the line of credit are a payment on the line of credit and for the purpose of *The Personal Property Security Act* constitute a debtor initiated payment. If any cheque deposited to the account is subsequently dishonored for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan.

Date Printed: December 08, 2014

9. **REPAYMENT**

The Borrower agrees to repay all advances on the line of credit together with all interest thereon; ON DEMAND. A demand shall terminate any obligation of the Credit Union to make further advances to the Borrower on the line of credit. It is also acknowledged and agreed that the Borrower shall have the right to repay all sums due on the line of credit including interest at any time without notice, bonus or penalty.

10. **CONVERSION OF EXISTING LINE OF CREDIT**

In the event the Borrower has an existing line of credit which is intended to be replaced by this agreement, the existing line of credit will be converted to and be governed by the terms of this agreement. Everyone who signs this agreement understands and agrees that the present balance owing, as well as any future amounts advanced under this agreement, will be considered to be amounts advanced under this agreement, and agrees to pay all such advances with interest as provided for in this agreement. In addition, it is agreed that all terms and conditions set forth in the original security taken for the amounts advanced under the existing line of credit, except as may be amended by this agreement or any other amendment agreement executed in conjunction with this agreement, shall continue in full force and effect and nothing herein is intended to or shall have the effect of discharging, merging, replacing or rendering unenforceable the original security taken for the amounts advanced under the existing line of credit agreement, and all such security shall apply to and secure advances made under this agreement. Any default under this agreement shall be deemed to be a default under the security.

11. **TERMINATION**

This agreement shall also terminate at the option of the Credit Union:

- (a) immediately, without notice, if the Borrower is in arrears on any Credit Union loan, becomes insolvent, commits an act of bankruptcy or upon the death of the Borrower. or
- (b) By notice to the Borrower indicating the date of termination, provided that the parties agree that the Credit Union shall not in any event, be required to give more than seven (7) days notice of such termination. If the Credit Union gives notice of termination it may restrict advances or require other special arrangements be made in order to continue to honour cheques or allow transactions prior to the date of termination.

On termination all sums owing including interest are immediately due and payable. In the event of non-payment, the Credit Union may realize on all security granted by the Borrower. In any case, the Credit Union shall not be obliged or required to honour any cheque or allow any transaction after the date of termination of this agreement.

12. **REVIEW DATE**

The Line of Credit may, at the option of the Credit Union, be reviewed at a date specified ("the Review Date") in any application for loan or commitment letter and thereafter as frequently as may be required by the Credit Union. At the Review Date the Credit Union may modify or vary the terms of the Line of Credit, including reducing the Authorized Limit and the Borrower agrees to execute such documents as may be required to give effect to this provision including a new Revolving Line of Credit Agreement or such Amendment or Conversion Agreement as may be required. In the event the Credit Union requires execution of a new Revolving Line of Credit Agreement the balance outstanding on this agreement as well as any future advances shall be treated as and considered to be advances under the new Revolving Line of Credit Agreement and be due and payable in accordance with the terms of the new Revolving Line of Credit Agreement or Amendment Agreement.

13. **LIMIT OF AGGREGATE AMOUNT ADVANCED OR REDUCE AUTHORIZED LIMIT**

In addition to the rights of the Credit Union at the Review Date the Credit Union shall have the right at any time during the currency of this agreement, by notice to the Borrower, to limit the aggregate amount to be advanced hereunder or to reduce the Authorized Limit. The Credit Union shall also have the right to limit advances as provided for in paragraph 16 hereof.

14. **SERVICE OF NOTICES**

Unless otherwise specifically stated, service of any notice under this agreement may be made on the Borrower either personally or by forwarding a letter to the Borrower by ordinary post to the address of the Borrower listed in the Credit Union's records. A notice sent by post shall be deemed to have been received by the Borrower forty-eight (48) hours after it was posted.

15. **USE OF ADVANCES**

The Borrower agrees to use the advances made on the line of credit agreement in accordance with the purposes as represented to the Credit Union on the application for credit.

16. **MARGIN LIMITS**

Notwithstanding the Authorized Limit, the amount available on the line of credit shall not exceed a sum equal to:

- (a) per cent of the cost or market value, whichever is the lesser, of all inventory of the Borrower, and/or
- (b) per cent of the principal amount of all accounts receivable not more than 0 days old.

In the event the amount under the line of credit exceeds the Margin Limit, the Borrower shall immediately pay to the Credit Union a sum equal to the excess.

17. **FINANCIAL REPORTS**

The Borrower shall provide the Credit Union with financial reports showing, among other things, the value of inventory owned and accounts receivable outstanding. The financial reports shall be provided at such times in such manner as the Credit Union may request. Unless the Credit Union shall otherwise advise in writing, the financial reports shall be provided **Annually**

The Borrower agrees to provide such further financial or other reports or information as the Credit Union may require from time to time.

18. **LIEN ON SHARES AND DEPOSITS**

The Borrower acknowledges that the Credit Union has a lien upon any share held by the Borrower and any amount standing to the credit of the Borrower or his legal representative with the Credit Union for amounts due on the line of credit and that the Credit Union may enforce the lien in any manner and apply any monies to the credit of the Borrower toward payment of the amount due by the Borrower to the Credit Union on the line of credit.

19. **SECURITY GRANTED**

The security hereby granted by the Borrower together with any substituted security that may be granted by the Borrower to the Credit Union in the future shall be held by the Credit Union as a continuing security for the payment and satisfaction of all debts and liabilities which are now or at any time hereafter due, owing or incurred by the Borrower under this agreement and notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again. The Borrower agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

No right or remedy of the Credit Union under this agreement or which the Credit Union may have at law shall be exclusive of or dependent upon any right, remedy or agreement but any one or more of such rights, remedies or agreements may from time to time be exercised independently or in combination.

The Borrower shall also agree to deliver forthwith to the Credit Union such additional security as may be required by the Credit Union, from time to time, and in the event of failure by the Borrower to do so, the Credit Union may in its discretion cease or refrain from making further loans or advances to the Borrower under this agreement or limit the aggregate amount to be advanced hereunder or reduce the Authorized Limit.

Date Printed: December 08, 2014

PL 3.086 (05/11)



20. REMEDIES ON DEFAULT

If the Borrower shall make default in payment of the amounts advanced on the line of credit or fail to perform any covenant or condition required herein, the Credit Union shall be entitled to exercise all rights or remedies available to it by law for collection of all sums outstanding herein, including seizure and/or sale of all property pledged as security for this agreement. All monies realized by the Credit Union from any security granted by the Borrower shall be applied in repayment of the amount owing under this agreement. The Borrower shall be liable for and forthwith pay any deficiency remaining after realization of any such security.

21. PROVISIONS SEVERABLE

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

22. ADVANCES THROUGH ERROR

In the event that the Credit Union advances to or for the Borrower sums through error, through any other agreement or otherwise, the terms of this agreement shall apply to such advance unless otherwise agreed.

23. CORPORATE WAIVER OF PROVISIONS

And it is further agreed that the following paragraph applies only if the Borrower is a corporation body, in which case the Borrower also covenants and agrees with the Credit Union:

- (a) That *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this agreement;
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this agreement, any charge or other security for the payment of money made, given or created by this agreement or any agreement renewing or extending this agreement and shall in no way limit the rights, powers or remedies of the Credit Union granted herein.

24. APPLICABLE LAW

This agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

25. OBLIGATIONS, JOINT AND SEVERAL

This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors, heirs and assigns. If more than one Borrower executes this agreement, the obligation of each Borrower hereunder shall be joint and several.

26. ELECTRONIC DOCUMENTS AND SIGNATURE

This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.

27. HEADINGS AND MARGINAL NOTES

The Borrower covenants and agrees with the Credit Union that the headings and marginal notes are included in this agreement only for convenience, and do not form part of the covenants, provisos and agreements herein contained.

28. ADDITIONAL TERMS AND CONDITIONS

The additional terms and conditions set forth on the Schedule(s) hereto shall form part of and are incorporated into this Agreement.

29. PRIVACY

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

IN WITNESS WHEREOF, the Debtor has hereunto signed, sealed and delivered this agreement this 11<sup>th</sup> day of December 2014, at Swift Current, Calgary, Saskatchewan, Alberta.

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF MAKER IS A CORPORATION, BOARD OF EDUCATION, MUNICIPALITY OR REGIONAL HEALTH AUTHORITY, ETC.:

1764239 ALBERTA LTD  
Per: \_\_\_\_\_  
Per: \_\_\_\_\_

AFFIX CORPORATE SEAL HERE  
Signature on document has been verified to the signature held on file  
Verified by: \_\_\_\_\_

SCHEDULE OF ADDITIONAL TERMS AND CONDITIONS

The Schedule forms part of and is incorporated into the Revolving Line of Credit Agreement dated



**Offer of Financing To:**  
1764239 Alberta Ltd  
c/o Brian Ostrander & Judy Harwood  
815 East Lake Blvd NE  
Airdrie, AB  
T4A 2G4

**May 25, 2016**

**Provided By:**  
Innovation Credit Union  
PO Box 1090 Stn Main  
Siwft Current, SK  
S9H 3X3

**Contact:**  
Pat Boser  
Relationship Manager  
**Phone:** 306 778 1753  
**Fax:** 306 773 1634  
**Email:** [pat.boser@innovationcu.ca](mailto:pat.boser@innovationcu.ca)

May 25, 2016

1764239 Alberta Ltd  
815 East Lake Blvd NE  
Airdrie, AB  
T4A 2G4

C/O Brian Ostrander & Judy Harwood

Dear Sirs or Madams,

RE: Offer of Financing

Innovation Credit Union (the "Credit Union") is pleased to advise that the following new credit facility has been approved on the terms and conditions below. If you agree with these terms, please sign the duplicate copy of this letter in the space provided below under the heading Acceptance and return same to the writer's attention.

Borrower: 1764239 Alberta Ltd

Financing: \$250,000.00 Line of Credit Renewal

Conditions: The following checked schedules form part of this Offer of Financing:

	<u>Schedule</u>	<u>Covering</u>
<input checked="" type="checkbox"/>	A	Line of Credit
<input type="checkbox"/>	A	Revolving Term Loan
<input type="checkbox"/>	B	Term Loan
<input type="checkbox"/>	B	Term Loan Real Property
<input type="checkbox"/>	C	Letter of Credit - Guarantee
<input type="checkbox"/>	D	Security and Legal
<input type="checkbox"/>	E	Financial Reporting and Conditions
<input checked="" type="checkbox"/>	F	Insurance
<input type="checkbox"/>	G	Financial Covenants
<input type="checkbox"/>	H	Standard Covenants and Events of Default

Application Fee: \$0.00 (for entire offer of financing)

#### ADDITIONAL TERMS

The terms of this letter are not to be disclosed, publicly or privately, to any other party except legal counsel or other agents of the Borrower who are specifically involved in this transaction. Without limiting the generality of the foregoing, no such persons shall use or refer to the Credit Union's name in any disclosure made in connection with any of the transactions described herein without the Credit Union's prior written consent.

The implementation and continuation of all non-fixed term/mortgage loans are subject to periodic review, at least annually, by the Credit Union and is also subject to no adverse change in the financial position of the Borrower. The next review date will be established at the discretion of the Credit

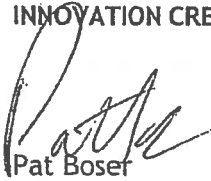
Union.

Your acceptance of this letter will constitute authority for the Credit Union to instruct its solicitors, or otherwise prepare the necessary documentation. This commitment is not assignable without the prior written consent of the Credit Union. If any discrepancy exists on similar topics between the commitment letter and the prepared loan documentation, the prepared loan documentation shall take precedence.

Your signature below will also give the Credit Union authorization to contact and provide a copy of this commitment letter to your external accountant directly for provision of annual financial statements for the Borrower and Guarantor companies (if applicable).

This Offer of Financing shall expire if not accepted by May 31, 2016.

Yours truly,  
INNOVATION CREDIT UNION



Pat Boser  
Relationship Manager

**ACCEPTANCE**

Acceptance of this Offer of Financing provides full and sufficient acknowledgement that the Credit Union has no obligation to advance any funds under this agreement and if, in the opinion of the Credit Union, any material adverse change in risk occurs, the approved credit facility may be withdrawn or cancelled at the sole discretion of the Credit Union.

We hereby acknowledge and accept the credit facility on the terms and conditions outlined by this Offer of Financing dated **May 25, 2016**, on this 25 day of May, 2016 and request the Credit Union to proceed.

1764239 Alberta Ltd

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

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

Guarantors

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

Brian Ostrander

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

Judy Harwood

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

Ostrander Family Holdings Ltd

Type of Facility: Revolving Line of Credit  
Account Number: 830511014060

Authorized Amount:  
\$250,000.00

Purpose:  
Renew existing Line of Credit, with an adjustment to interest rate.

Interest Rate:  
Variable Rate: Innovation Credit Union prime lending rate ("Prime") plus 2.50%. All interest rates are simple interest calculated yearly. Prime means the annual rate of interest announced from time to time by the Credit Union, and as of May 25, 2016, is 2.70%.

Repayment and Amortization:  
Interest is payable monthly.

The interest rate and payment are the initial effective rate and payment, and are subject to fluctuation with Prime.

Prepayment:  
Prepayment of principal is permitted at any time without notice, penalty, or bonus.

**Security:**

1. General Security Agreement "GSA" in 1<sup>st</sup> position in the name of 1764239 Alberta Ltd. covering all present and after-acquired property and also with a specific charge over the following:
2. Assignment of Rents/Leases;
3. Mortgage against 954 7<sup>th</sup> St SW, Medicine Hat, AB (Block 1 Plan 832LK) registered in the name of 1764239 Alberta Ltd. in the amount of \$250,000.00;
4. Assignment of Insurance (including Business Interruption Insurance) showing Innovation Credit Union as first loss payable;
5. Assignment of Insurance over assets being pledged as security and showing the Credit Union as first loss payable;
6. Limited Personal Guarantee and Postponement of Claim granted by Brian Ostrander in the amount of \$187,500.00;
7. Limited Personal Guarantee and Postponement of Claim granted by Judy Harwood in the amount of \$62,500.00;
8. Limited Corporate Guarantee & Postponement of Claim granted by Ostrander Family Holdings Ltd. in the amount of \$187,500.00;
9. Although not a condition of this approval, it is recommended that, at a minimum, Key Man Life insurance coverage to be obtained by all Principals in an amount adequate to retire all indebtedness. In the event the principals feel such coverage is already provided for within existing policies, a formal Waiver of Coverage Form is to be provided for this credit facility;
10. Waiver of Coverage Form (if applicable);

#### SCHEDULE "F" Insurance

The Borrower and Guarantor(s), if applicable, will insure and keep fully insured all assets relied upon by the Credit Union as security, and provide an assignment, where applicable, of such coverage showing the Credit Union as first loss payee (with the exception of general liability coverage). Any co-insurance clauses are not to be for less than 90%. The policy (ies) shall include the agreement of the insurer that the policy will not be cancelled or permitted to expire on the expiry date without at least thirty days prior written notice to the Credit Union. All coverages are subject to review and approval by the Credit Union.

**Real Property:** Coverage against loss or damage by fire and other insurable hazards defined in an "All Risks" insurance policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit. The policy is to contain a standard Insurance Bureau of Canada (IBC) mortgage endorsement clause in favour of the Credit Union.

If applicable, boiler and pressure vessel insurance for the full replacement cost of the Property and all improvements thereon.

Business interruption or rental loss insurance for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss of rent or other revenue received from the operation of the building.

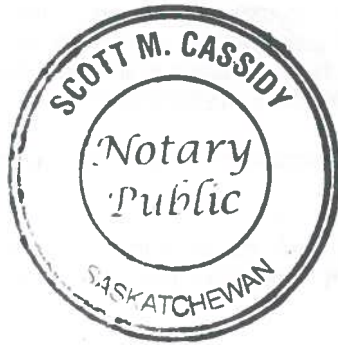
Loss or damage of all personal property by fire or other insurance hazards, including theft, in an amount not less than the full replacement cost thereof.

**Liability:**

Public liability coverage in an amount not less than \$250,000.00 on a per occurrence basis.

This is Exhibit 5 to the Affidavit  
of Brad Appel sworn before me  
this 17<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024



1005200

CREDIT UNION  
GENERAL SECURITY AGREEMENT

Application No. 1911252

Account Holder No. \_\_\_\_\_

Loan No. \_\_\_\_\_

1. SECURITY INTEREST

For valuable consideration, the undersigned,  
1764239 ALBERTA LTD

954 7 St SW, MEDICINE HAT, AB, T1A 7R7

(hereinafter called the "Debtor") **HEREBY GRANTS, CHARGES AND RESERVES to**  
**INNOVATION CREDIT UNION**

of

188 First Ave NE Ave, Swift Current, SK, S9H 2B2, Canada

, Saskatchewan (hereinafter

called the "Credit Union"), **A SECURITY INTEREST (HEREINAFTER CALLED THE "SECURITY INTEREST")**, IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PROPERTY, (all of which property, together with all the cash and non-cash proceeds thereof, is herein referred to as the "Collateral").

2. MEANING OF TERMS

The terms, "Goods, Fixtures, Inventory, Equipment, Accounts, Money, Chattel Paper, Intangibles, Documents of Title, Instruments, Investment Property, Fixtures, Accession and Proceeds" whenever used herein, shall have the respective meanings ascribed to each such term in *The Personal Property Security Act, 1993*, as amended from time to time. The term "Investment Property" in this agreement shall not be limited to the principal amount or face amount of the Investment Property or any proceeds realized from the sale or realization of the Investment Property, and shall include any and all accrued interest or any other payments or dividends that may accrue or otherwise be paid on or to the benefit of the said Investment Property, or in whose name the Investment Property is indicated and any increase in value of the Investment Property.

3. SECURITY INTEREST EXTENDS TO PROCEEDS

The Debtor hereby agrees that the Security Interest granted herein extends to all cash and non-cash Proceeds of the Collateral of what ever nature and kind, and includes any interest earned on or any dividend or payment made in relation to the Collateral. The Security Interest shall not apply or extend to the last day of the term of any lease, but upon Default the Debtor shall stand possessed of such last day in trust to assign the same as the Credit Union may direct.

4. INDEBTEDNESS SECURED

The Security Interest granted by the Debtor to the Credit Union secures the performance or payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Credit Union (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, whosoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal, surety or guarantor (hereinafter called the "Indebtedness"). The term "Agreed Rate" shall mean the rate of interest payable under the document(s) evidencing the Indebtedness and in the event any such documents bear differing rates of interest the term "Agreed Rate" shall mean the highest of such rates of interest.

5. PROCEEDS OF COLLATERAL HELD IN TRUST

Before or after Default under this agreement, the Credit Union may notify any debtor of the Debtor on an Intangible, Chattel Paper or Account, or any obligor on an Instrument (hereinafter collectively called the "Account Debtor") to make all payments on Collateral to the Credit Union. The Debtor acknowledges that the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Debtor from any Account Debtor, whether before or after notification of this Security Interest to such Account Debtor and whether before or after Default under this agreement, shall be received and held by the Debtor in trust for the Credit Union and shall be turned over to the Credit Union upon request. The Debtor agrees that it will not commingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

6. APPLICATION OF MONIES RECEIVED

All monies collected or received by the Credit Union from or with respect to the Collateral shall be applied on account of the Indebtedness in such manner as the Credit Union deems best, or at the option of the Credit Union, may be held unapplied in a Collateral account, or released to the Debtor, all without prejudice to the rights of the Credit Union.

7. COVENANTS OF THE DEBTOR

The Debtor covenants and agrees:

- (a) To defend the Collateral against all claims and demands of all persons claiming the Collateral or an interest therein at any time;
- (b) Upon demand, to furnish in writing, all information requested concerning the Collateral and permit the Credit Union, from time to time, to inspect the Collateral, and for such purpose to enter the premises of the Debtor;
- (c) To give the Credit Union thirty (30) days notice of any intended change of name of the Debtor;
- (d) Upon demand, to do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Credit Union with respect to the Collateral in order to give effect to this agreement including but not limited to any forms or agreements as may be required by the Saskatchewan Crop Insurance Corporation or its successor and to pay all costs for searches and filings;
- (e) To pay any taxes, rates, liens, rents, charges, encumbrances, claims or any other payments relating to the Collateral; in the event that the Debtor should fail to pay the same, the Credit Union may pay the same, but shall not be obligated to do so, and any such payments made by the Credit Union, together with all costs, charges and expenses which may be incurred, shall forthwith be repayable by the Debtor to the Credit Union and until repaid shall be added to the Indebtedness hereby secured and shall be a charge upon the Collateral and bear interest at the Agreed Rate;
- (f) To reimburse the Credit Union for any costs or expenses, including legal fees on a solicitor and client basis, incurred by the Credit Union in enforcing this agreement or realizing upon its Security Interest and such costs, until paid, shall form a charge upon the Collateral and bear interest at the Agreed Rate. Provided in the event *The Saskatchewan Farm Security Act* or *The Cost of Credit Disclosure Act, 2002*, as may be amended or replaced from time to time, applies to this agreement, the costs, expenses and fees chargeable to the Debtor shall be limited to those allowed under that Act;

- (g) To keep the Collateral continuously insured with such carriers and in such amounts, and against such risks and with such loss payable clause as may be required by the Credit Union. All policies of insurance shall provide for ten (10) days written notice of cancellation by the insurer to the Credit Union, and the Credit Union shall be furnished with satisfactory evidence of compliance with the foregoing. In the event of loss, the Credit Union shall have full power to collect any and all insurance upon the Collateral, and then to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the Collateral;
- (h) To prevent the Collateral from being or becoming attached as an accession to other property not subject to the Security Interest;
- (i) To ensure that the Collateral has not been or will not be attached to real estate property in such manner as to become a Fixture, without the prior written consent of the Credit Union;
- (j) To immediately advise the Credit Union if the Collateral is damaged, destroyed, expropriated or stolen;
- (k) To immediately reduce, by an amount set by the Credit Union, the indebtedness, in the event the Collateral shall deteriorate in value;
- (l) Not to remove, or permit the removal of, the Collateral from the Province of Saskatchewan without prior written consent of the Credit Union;
- (m) To deliver to the Credit Union any proceeds of Collateral evidenced by instruments or Chattel Paper;
- (n) Except as herein provided, to not sell, lease or dispose of any Collateral or any interest therein, without the prior written consent of the Credit Union;
- (o) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (p) To keep the Collateral free of all liens, encumbrances, or Security Interests except the Security Interest granted herein or such other Security Interests as may be approved in writing by the Credit Union prior to their creation.

In the event the Debtor carries on a farm or agricultural operation the following provisions will also apply:

- (q) To attend to and care for the Collateral; do all other acts which may be necessary to raise and fatten livestock and to grow, cultivate, spray, irrigate, cut harvest, pick, clean, preserve and protect Crops, all according to the most approved methods of farming husbandry and to keep the farm on which the Collateral is located free of noxious weeds and grasses; maintain the present buildings and improvements on the said farm in good condition and repair;
- (r) To provide suitable range, pasture, and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause;
- (s) To market such livestock as the Credit Union shall authorize or direct;
- (t) To pay, when due, all obligations incurred for labour or material or otherwise in care or feeding or shearing of such livestock;
- (u) That all proceeds and right to payment from the sale of crops, grains and inventory are hereby assigned to the Credit Union, and the Debtor agrees to deliver to the Credit Union the Debtor's Canadian Wheat Board Producer's permit book, if so requested by the Credit Union;
- (v) To assign and transfer to the Credit Union all the Debtor's right, title and interest to indemnity under any contract of crop insurance with the Saskatchewan Crop Insurance Corporation or any other insurer;
- (w) To allow the Credit Union, at its election, to enter upon the Debtor's lands and do all such things for the production, harvesting, storage and marketing of Crops as it shall deem proper. All of the Debtor's tools, animals, machinery and Equipment and all buildings on any of the Debtor's lands shall be available for the Credit Union's exclusive use for any of these purposes;
- (x) To allow the Credit Union, at its election, to enter upon any lands where any of the livestock may be situated and take and retain possession of such livestock, doing all things that the Credit Union shall deem necessary or appropriate for the carrying or disposition thereof, including but not limited to, caring for, protecting, feeding, lambing, shearing, running, preparing for market and marketing all or any of such livestock. For any of such purposes, the Credit Union shall have the exclusive use of the Debtor's farming outfit, whether or not part of the Collateral, including but not limited to his feed, range, barns, sheds, corrals, machinery, tools and Equipment; and
- (y) That the security interest in Crops attaches all future Crops to be grown on the land mortgaged by way of a real property mortgage executed in conjunction with or collateral to this security agreement and any renewals thereof.

#### 8. REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants:

- (a) The Collateral is real and genuine;
- (b) The Debtor is entitled to create the Security Interest granted hereunder; and
- (c) The Security Interest created hereunder is and will remain a charge upon the Collateral in priority to all Security Interests except those expressly agreed to by the Credit Union.

#### 9. EVENTS OF DEFAULT

The happening of any one of the following events or conditions shall constitute default hereunder (herein referred to as "Default"):

- (a) If the Debtor should fail to pay any part of the indebtedness, or any other liability to the Credit Union, when due, or fail to perform or observe any other covenant or condition contained in this agreement or contained in any other agreement with the Credit Union;
- (b) If any representation or warranty made by the Debtor herein or in any loan application or financial statement given by the Debtor to the Credit Union is found to be incorrect;
- (c) If, without the consent of the Credit Union, the Debtor sells, transfers, assigns, or in any way parts with possession of, or removes from the Province of Saskatchewan, the Collateral, or attempts or intends to do any of the same;
- (d) If any execution, judgment or other process of Court shall become enforceable against the Debtor, or if a distress or analogous process should be levied upon the property of the Debtor, or any part thereof, or if a receiver or trustee be appointed for the Debtor or the Debtor's assets;
- (e) If any other party claiming a security interest, charge, mortgage or lien on the Collateral enforces or takes steps to enforce its security against the Collateral;
- (f) If, in the opinion of the Credit Union, upon commercially reasonable grounds, its Security Interest in the Collateral is endangered;
- (g) If the Debtor should become insolvent or bankrupt or is the subject of a petition in bankruptcy or makes a general assignment in bankruptcy for the benefit of creditors or otherwise acknowledges insolvency, or if a corporation, fails to maintain its corporate existence;
- (h) If an individual, the death of the Debtor or a declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor; or
- (i) If the Debtor has ceased to carry on or abandoned his business.

**10. USE OF COLLATERAL**

Until Default, the Debtor:

- (a) Shall generally be entitled to possess, operate, collect, use and enjoy the Collateral in any manner not inconsistent with the terms hereof.
- (b) Where the Collateral is used in a Farm Business, may retain possession of the Collateral and harvest, process and store and use in any lawful manner not inconsistent with the agreement herein or with the terms and conditions of any policy of insurance thereon and may use and consume any hay, grain, food, forage, fodder or Crops covered hereby in preserving and preparing for market any live-stock in which the Credit Union has a security interest.
- (c) May sell inventory in the ordinary course of business provided that:
  - (i) All sales shall be on commercially reasonable terms;
  - (ii) All cash proceeds of sales shall immediately be deposited with the Credit Union;
  - (iii) The proceeds of any such sales may, at the option of the Credit Union, be applied to the Indebtedness; and
  - (iv) The Credit Union may collect the proceeds of any Accounts and other non-cash proceeds of sale, and at its discretion, sell or dispose of any or all of the proceeds of the said sale without notice to the Debtor.

A "sale in the ordinary course of business" does not include a transfer in partial or total satisfaction of a debt or any bulk sale.

**11. ACCELERATION OF INDEBTEDNESS ON DEFAULT**

In the event of Default the Credit Union, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause are not intended to affect the right of the Credit Union to demand payment with respect to any Indebtedness which may now or hereafter be payable on demand.

**12. REMEDIES ON DEFAULT**

Upon Default, in addition to any other rights or remedies it may have at law, the Credit Union may:

- (a) By its officers, employees or agents, and at any time during the night or day, enter lands or premises where the Collateral or any part thereof may be, for the purpose of taking possession or removing the Collateral and, if necessary, may enter buildings or enclosures wheresoever the Collateral may be found;
- (b) Without notice to the Debtor, seize, collect, realize, sell, lease, borrow money on the security of, release to third parties, use in any manner and for whatever purposes the Credit Union determines, or otherwise deal with the Collateral or any part thereof in such manner and upon such terms and conditions and at such times as it deems advisable;
- (c) At its option, elect to retain all or any part of the Collateral in satisfaction of the obligations of the Debtor under this agreement then outstanding provided that the Credit Union shall not be deemed to have so elected, unless notice in writing to that effect is served upon the Debtor; and;
- (d) By instrument appoint a receiver or a receiver manager (herein called the "Receiver") of the Collateral and the undertaking of the Debtor or any part thereof and of the rents and/or profits derived therefrom and with or without security, and may from time to time by similar writing remove any Receiver without appointing another in his stead and the Credit Union may apply to a Court of competent jurisdiction for such appointment and removal.

**13. APPOINTMENT OF RECEIVER**

The following provisions shall apply to and upon the appointment of a Receiver by the Credit Union:

- (a) A statutory declaration of an officer or other duly authorized representative of the Credit Union as to Default under this agreement shall be conclusive evidence thereof for the purposes of the appointment of such Receiver;
- (b) Every such Receiver shall be the irrevocable agent or attorney of the Debtor (whose appointment as such shall be revocable only by the Credit Union) for the collection of all rents and profits falling due and becoming payable in respect of the Collateral or any part thereof whether in respect of any tenancies created in priority to this agreement or subsequent thereto, or otherwise;
- (c) Every such Receiver may, in the discretion of the Credit Union be vested with all or any of the powers and discretions of the Credit Union;
- (d) The Credit Union may from time to time fix the remuneration for every such Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the Collateral;
- (e) Every such Receiver shall so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Debtor and in no event the agent of the Credit Union;
- (f) The appointment of every such Receiver by the Credit Union shall not incur or create any liability on the part of the Credit Union to the Receiver or to the Debtor or to any other person, firm or corporation in any respect;
- (g) No such Receiver shall be liable to the Debtor to account for monies other than monies actually received by him in respect of the Collateral and out of such monies so received from time to time every such Receiver may, subject to the claims of any creditors ranking in priority to this agreement, pay: the Indebtedness; his remuneration; costs and expenses incurred by him in his capacity as Receiver; and, at his discretion, monies payable on encumbrances on the Collateral subsequent in priority to the interest of the Credit Union; and that such Receiver shall in his discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and further that any surplus remaining in the hands of every such Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to those parties who may appear to be entitled thereto;

**Powers of Receiver**

(h) The Receiver shall have power to:

- (i) take possession of and to collect the Collateral for those purposes to enter any premises of the Debtor and to act in the name of the Debtor or otherwise as the Receiver considers necessary;
- (ii) rent or lease any portion of the Collateral for such term and subject to such provisions as he may deem advisable or expedient, subject to the restrictions on leasing contained in any existing leases or agreements to lease affecting any of the Collateral or to terminate any existing leases or tenancies as he shall consider advisable or expedient, and in so doing, every such Receiver shall act as the attorney or agent of the Debtor and shall have authority to execute under seal of the Debtor any lease of the Collateral in the name of and on behalf of the Credit Union, and the Debtor agrees to ratify and confirm whatever such Receiver may do in the premises;
- (iii) make arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, altering, improving, adding to, or putting in order the Collateral;
- (iv) manage, operate, and conduct the undertakings of the Debtor, or any part thereof and may make capital expenditures with respect thereto, in the name of the Debtor;
- (v) employ or retain and discharge any persons (including legal counsel, accountants, engineers and other reasonably necessary experts or consultants) upon the terms and at the remuneration the Receiver considers proper;

- (vi) make any compromise or arrangements which the Receiver considers expedient in the interest of the Credit Union and to assent to any modification of this agreement, and to exchange any part or parts of the Collateral for any property suitable for the purposes of the Debtor upon such terms as the Receiver considers expedient, either with or without payment of money or equality of exchange or otherwise;
  - (vii) borrow money upon the security of the whole or any part of the Collateral, in the amount from time to time required by the Receiver for any purpose hereunder and in so doing the Receiver may issue certificates (each herein called a "Receiver's Certificate") that may be payable when the Receiver thinks expedient and which shall bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate shall charge the Collateral in priority to this agreement;
  - (viii) sell or lease or concur in the selling or leasing of the whole or any part of the Collateral;
  - (ix) defend and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Collateral, to defend all suits, proceedings and actions against the Credit Union 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; and
  - (x) execute all documents on behalf of the Debtor and appoint a signing officer for such purpose;
- (i) In exercising the Receiver's foregoing power to sell or lease the Collateral, the Receiver may in his absolute discretion:
- (i) sell the whole or any part of the Collateral at public auction, by public or private tender, or by private sale;
  - (ii) effect a sale or lease by conveying in the name of or on behalf of the Credit Union or otherwise;
  - (iii) make any stipulation as to title or conveyance or commencement of title;
  - (iv) rescind or vary any contract of sale or lease;
  - (v) re-sell or re-lease without being answerable for any loss occasioned thereby; and
  - (vi) sell on terms as to credit as shall appear to be most advantageous to the Receiver and if a sale is on credit the Receiver shall not be accountable for any monies until actually received;
- (j) No purchaser at any sale purporting to be made by the Receiver pursuant to the aforesaid power shall be bound to enquire whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which the sale is made, or otherwise as to the propriety of the sale or regularity of its proceedings, or be affected by notice that no default has been made or continues, or notice that sale is otherwise unnecessary, improper or irregular, and despite any impropriety or irregularity, or notice thereof to any purchaser the sale as regards that purchaser shall be conclusively deemed to be within the aforesaid powers and be valid accordingly and the remedy, if any, of the Debtor or any other person in respect of any impropriety or irregularity whatsoever in any sale by the Receiver shall be in damages only;
- (k) the Credit Union may at any time terminate any such Receivership by notice in writing to the Debtor and to the Receiver; and
- (l) the Debtor hereby releases and discharges the Credit Union and every such Receiver from every claim of every nature, whether in damages for negligence or trespass or otherwise, which may arise or be caused to the Debtor or any person claiming through or under it by reason or as a result of anything done by the Credit Union or any such Receiver under the provisions of this agreement, unless such claim is the direct and proximate result of bad faith or gross neglect.

#### 14. OTHER AGREEMENTS - POWER OF ATTORNEY

The Debtor shall from time to time, execute, draw and endorse and deliver all such instruments and documents and do all such things as the Credit Union may deem necessary or desirable for the purpose of perfecting the Security Interest of the Credit Union in the Collateral or for carrying into effect any or all of the provisions of this agreement or for securing the fulfillment of all obligations contained herein of the Debtor to the Credit Union. The Debtor hereby appoints the Credit Union and its General Manager and persons for the time being acting as Managers of branches of the Credit Union where an account of the Debtor may be kept and any person or persons from time to time named by the Credit Union for the purpose hereinafter mentioned, and any one of them acting alone, the attorneys and attorney of the said Debtor will full power of substitution from time to time for and in the name of the Debtor to do whatever the said attorneys or attorney may deem expedient for the purpose of carrying into effect any or all of the provisions of this agreement. This appointment being made in consideration of a loan or loans, advance or advances, by the Credit Union to the Debtor or to a third party at the request or guarantee of the Debtor shall be irrevocable and shall be of full force and effect whenever and so often as any indebtedness by the Debtor to the Credit Union is unpaid or any such obligation as aforesaid to the Credit Union in unfulfilled and notwithstanding any occurrence or event which would otherwise terminate such agency. Every power, right and discretion vested by law in the Credit Union or conferred upon it by this agreement may be exercised on its behalf by the said officers or acting officers of the Credit Union or any person or persons from time to time named by the Credit Union for such purpose, and any one of them acting alone.

#### 15. CHARGES AND EXPENSES

The Credit Union shall use reasonable care in the custody and preservation of the Collateral, provided however, that reasonable care shall not include taking steps to preserve rights against any other person. All reasonable charges and expenses incurred either directly or indirectly by the Credit Union in seizing, caring for, preserving, and selling or otherwise disposing of the Collateral (including legal costs on a solicitor and client basis) shall be a debt due to the Credit Union and forthwith payable by the Debtor and shall form a charge on the Collateral and bear interest at the Agreed Rate. Provided in the event The Saskatchewan Farm Security Act or The Cost of Credit Disclosure Act, 2002, as may be amended or replaced from time to time, apply to this agreement, the costs, expenses and fees chargeable to the Debtor shall be limited to those allowed under that Act.

#### 16. CREDIT UNION NOT LIABLE TO INSTITUTE PROCEEDINGS

The Credit Union shall not be liable or accountable for any failure to seize, collect, realize upon, sell, lease or obtain payment of or for the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession of or payment of the Collateral or for the purpose of preserving any rights of the Credit Union, the Debtor, or any other person in respect of the Collateral.

#### 17. DEBTOR LIABLE FOR DEFICIENCY

Without limiting any rights the Credit Union may have at law, the Debtor shall be liable for and forthwith pay any deficiency remaining after the sale or disposition of the Collateral.

#### 18. CORPORATE WAIVER

- (a) In the event that the Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan or any provision thereof shall have no application to this agreement or any agreement or instrument renewing or extending or collateral to this agreement.
- (b) In the event the Debtor is an agricultural corporation as defined in The Saskatchewan Farm Security Act and has received independent legal advice concerning and prior to entry into this agreement, then it is agreed that the provisions of Part IV of The Saskatchewan Farm Security Act, other than Section 46, shall not apply to the Debtor or this agreement.

**19. AGREEMENT IN ADDITION TO OTHER SECURITY AGREEMENTS**

This agreement is in addition to and not in substitution for any other agreement between the parties creating a security interest, mortgage or charge in all or part of the Collateral whether made before or after this agreement and this agreement shall not merge in or be replaced by any subsequent security agreement, mortgage or charge or judgment obtained by the Credit Union unless expressly provided to the contrary in writing by the Credit Union.

**20. NOTICES**

Subject to section 68 of The Personal Property Security Act, 1993, as amended from time to time, any notice, demand, request, statement or instrument required or permitted to be given under or pursuant to this agreement or enforcement of this agreement must be in writing and may be given by facsimile or email to the fax number or email address of the Debtor set out in the records of the Credit Union or by registered mail addressed to the Debtor's address as it appears herein and will be deemed to have been delivered the sooner of the date of actual receipt by the Debtor or in the case of facsimile or email transmission on the day after it was sent and in the case of registered mail, three (3) days after posting by registered mail or may be given in any other manner of service authorized by law.

**21. NO REPRESENTATION OR WARRANTIES BY CREDIT UNION**

The Debtor acknowledges that the Credit Union has made no representations or warranties other than those contained in this agreement.

**22. PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

**23. OBLIGATIONS JOINT AND SEVERAL**

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, heirs, executors and permitted assigns. If more than one Debtor executes this agreement, the obligations of each Debtor hereunder shall be joint and several.

**24. ELECTRONIC DOCUMENTS AND SIGNATURE**

This document may be signed and delivered electronically or by other similar means and may be executed in counterparts, all of which shall be as effective as if signed and delivered as one original document with original signatures.

**25. NO WAIVER UNLESS IN WRITING**

No waiver, extension of time, or other indulgence shall be binding upon the Credit Union unless made in writing by the Credit Union.

**26. PERFORM DEBTOR'S COVENANTS**

Upon the Debtor's failure to perform any of its duties hereunder, the Credit Union may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Credit Union, forthwith upon written demand therefor, an amount equal to the expense incurred by the Credit Union in so doing plus interest thereon from the date such expense is incurred until it is paid at the Agreed Rate.

**27. EXTENSION OF TIME NOT PREJUDICIAL**

The Credit Union may grant extensions of time and other indulgences, taken and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize the Security Interest and without prejudice to the rights of the Credit Union with respect to any future time limits or breach.

**28. SINGULAR READ AS PLURAL**

When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

**29. COLLATERAL INCLUDES PART THEREOF**

Any reference herein to the Collateral shall, unless the context otherwise requires, be deemed to refer to the Collateral or any part thereof.

**30. ATTACHMENT - PURCHASE MONEY SECURITY INTEREST**

The Security Interest created hereby is intended to attach when this agreement is signed by the Debtor and delivered to the Credit Union. To the extent that the Security Interest was granted in relation to a loan or loans made by the Credit Union to enable the Debtor to acquire rights in any or all of the Collateral, the Credit Union is and shall be considered a Purchase Money Secured party, and may at its discretion disburse the proceeds directly to the seller of Collateral or party holding a prior Security Interest.

**31. LIEN ON SHARES AND DEPOSITS**

The Debtor acknowledges that in addition to the Security Interest created by this agreement, the Credit Union has a statutory lien upon any share held by the Debtor, and any amount standing to the credit of the Debtor or his legal representative with the Credit Union, for any debt due by the Debtor, whether as principal, guarantor or otherwise, and that the Credit Union may enforce the lien in any manner and apply any monies to the credit of the Debtor towards the debt due to the Credit Union.

**32. APPLICABLE LAW**

This agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

**33. HEADINGS**

The descriptive headings of this agreement are included for convenience only and do not form part of the covenants, provisions and agreements herein contained.

**34. ACKNOWLEDGEMENT AND WAIVER**

The Debtor acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Debtor hereby waives the requirement of being provided with a copy of any financing or verification statement or other registration pertaining to this agreement or any renewal thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Debtor with a copy of any such statements or other registration.

PRIVACY - Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

Where an electronic signature is available and used, the person using the electronic signature is adopting such signature and authorizes it to be attached to or associated with this document.

IN WITNESS WHEREOF the Debtor has hereunto signed, sealed and delivered this agreement this 6<sup>th</sup> day of September, 2013, at Swift Current, Saskatchewan.

WITNESSES:

IF DEBTOR IS AN  
INDIVIDUAL  
OR PARTNERSHIP  
Signature of Debtor(s)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF DEBTOR IS A CORPORATION, BOARD OF EDUCATION, MUNICIPALITY OR REGIONAL HEALTH AUTHORITY, ETC.:

1764239 ALBERTA LTD

Print Exact Name of Corporation

Affix Corporate  
Seal Here

By:   
(Officer of Corporation)

Brian Ostrander  
President

By: \_\_\_\_\_  
(Officer of Corporation)

**SERIAL NUMBERED GOODS MAY BE DESCRIBED HERE**

Application No. 1911252

The Security Interest attaches to all present and after acquired property however specific registration requirements apply to serial numbered goods. The following information should be obtained in order to properly register the Credit Union's security interest in serial numbered goods.

Item or Kind of Collateral	Serial Number	Year	Make & Manufacturer	Colour

Serial numbered goods include motor vehicles as described below, trailers, mobile homes, aircrafts, boats and outboard motors for boats.

N.B. A motor vehicle generally includes any mobile device propelled primarily by a motor and by which a person or thing may be transported or drawn for use on a road or natural terrain, or that is used in the construction or maintenance of roads and includes a pedal bicycle with a motor attached, a combine and a tractor but does not include a device that runs on rails or machinery designed only for use in farming other than a combine or tractor.

CERTIFICATE OF INDEPENDENT LEGAL ADVICE  
FOR AGRICULTURAL CORPORATION

Date Printed: September 04, 2013  
Page 8 of 8

Application No. 1911252

I hereby certify that:

1. I am a member in good standing of The Law Society of ~~Saskatchewan~~ <sup>Alberta</sup>.
2. I have been consulted by Brian Ostrander and N/A who identified to me that he/she is an officer of 1764239 Alberta Ltd. corporation, and who is authorized to enter into the General Security Agreement on behalf of the corporation.
3. I have advised him/her as to the nature of the agreement and the liabilities which the corporation incurs thereby and the manner in which the liability can be enforced, under the agreement and any collateral security taken thereto, including the manner in which it can be enforced against equipment under Part IV of *The Saskatchewan Farm Security Act*.
4. I have satisfied myself that he/she is aware of the contents of the agreement and understands it.
5. I have not given any legal advice to the Credit Union in connection with this matter.

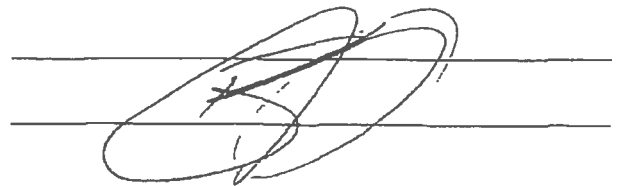
DATED at City of Calgary, Alberta the 6th day of September, 2013.



Name Of Lawyer: Meenu Anandhalingam  
Law Firm: Merani Reimer LLP  
Address: Suite 300, 714 1st Street SE, Calgary, AB  
(please print) T2C 2G8

STATEMENT OF OFFICER(S)

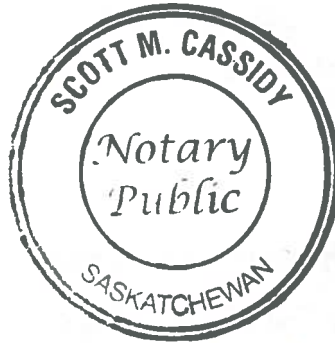
I am the person named in the certificate and I confirm that I am the duly authorized officer of 1764239 Alberta Ltd. corporation, authorized to enter into the Specific Security Agreement on behalf of the corporation.





This is Exhibit 6 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



*Expiry: October 31, 2024.*

MHG. Dec 31/13

Province of Alberta  
Land Titles Act R. S. A.  
Sec. 113.20

**MORTGAGE-TERM**

**SALRD/NALRD**

**1. MORTGAGOR(S) (Include Address)**

1764239 ALBERTA LTD.  
954 7 STREET SW  
MEDICINE HAT, ALBERTA  
T1A 7R7

**2. LAND (Legal Description)**

PLAN B32LK  
BLOCK 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

**3. MORTGAGEE (Including address and postal code for service)**

CONCENTRA FINANCIAL SERVICES ASSOCIATION  
333 3<sup>rd</sup> AVENUE NORTH  
SASKATOON SASKATCHEWAN S7K 2M2

**4. TERMS**

The following terms are incorporated herein:

- (a) Standard Form Mortgage Terms filed as number: 071476473
- (b) Terms attached hereto as schedule(s)

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In this mortgage, unless otherwise specified, "herein\*" means this mortgage, the terms contained in the aforesaid Standard Form Mortgage Terms and all schedules to the mortgage, if any.

**5. REPAYMENT PROVISIONS**

a) Principal Amount \$ 4,179,000.00	b) Interest Rate 4.32 %	c) Interest Adjustment Date 1 / NOVEMBER / 20 13
d) Interest Calculation Period YEARLY	e) Payment Frequency MONTHLY	f) First Payment Date 15 / NOVEMBER / 20 13
g) Payment Amount \$ 31,586.00	h) Last Payment Date 15 / APRIL / 20 17	i) Balance Due Date 15 / APRIL / 20 17

j) Interest calculated semi-annually and not in advance if 5 (d) other than semi-annual

**6. MORTGAGOR'S COVENANTS AND EXECUTION**

- a) I (We) am (are) the registered owner(s) of the land being mortgaged.
- b) I (We) promise and covenant to pay the principal sum, interest and all other charges and money hereby secured and to be bound by all the terms herein.
- c) I (We) hereby mortgage and charge all my (our) estate, interest and title in the land for the purposes of securing all my (our) obligations herein including the payment of the principal sum, interest and all other amounts secured by the mortgage.

- d) This mortgage includes and is subject to the terms contained in the Standard Form Mortgage Terms filed with the Registrar under the instrument number recited herein.
- e) I (We) understand and acknowledge that this mortgage consists of the terms referred to herein as well as the terms recited in the Standard Form Mortgage Terms and schedule(s) (if any) referred to herein.
- f) I (We) hereby acknowledge receipt of a copy of this Mortgage and schedule(s) hereto (if any) and the Standard Form Mortgage Terms referred to herein.

**7. RELEASING THE ORIGINAL BORROWER**

For high ratio insured mortgages: This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my seal the 31 day of OCTOBER, 2013.

SIGNED, SEALED AND DELIVERED  
by the above named  
as Mortgagor, in the presence of:

  
\_\_\_\_\_  
DORIS E. REIMER, BARRISTER & SOLICITOR

\_\_\_\_\_  
1764239 ALBERTA LTD.  
\_\_\_\_\_  
BRIAN OSTRANDER, PRESIDENT

The Address of the Mortgagee is:  
333 - 3RD AVENUE NORTH  
SASKATOON, SASKATCHEWAN  
S7K 2M2

I/We have authority to bind the corporation

ENCUMBRANCES REFERRED TO:  
EASEMENT REGISTERED AS REGISTRATION NUMBER 031 099 497

FORM 31.1

LAND TITLES ACT  
(Section 152.3)

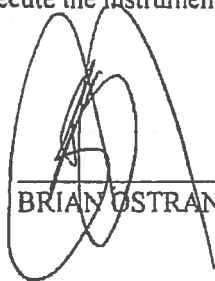
AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY

1. I, BRIAN OSTRANDER, of the City of Calgary, Make Oath and Say:

1. I am an officer or a director of 1764239 Alberta Ltd. named in the within or annexed instrument (or caveat).

2. I am authorized by the corporation to execute the instrument (or caveat) without affixing a corporate seal.

SWORN before me at the City )  
of Calgary, in the Province )  
of Alberta, this 31<sup>st</sup> day of )  
October, 2013. )

  
\_\_\_\_\_  
BRIAN OSTRANDER

  
\_\_\_\_\_

A Commissioner for Oaths in  
And for the Province of Alberta  
Being a Solicitor

**Doris E. Reimer**  
Barrister and Solicitor

**THE LAND TITLES ACT, 1980 R.S.A. AND AMENDMENTS THERETO**  
**SECTION 113.1(1)**  
**SET OF STANDARD MORTGAGE TERMS**  
**TERM MORTGAGE**  
**(Alberta)**

**FILED BY: CONCENTRA FINANCIAL SERVICES ASSOCIATION**

**South Alberta (Calgary)**

**Filing No. 071476473**

**Date Filed: September 24, 2007**

**North Alberta (Edmonton)**

**Filing No. 072571522**

**Date Filed: September 21, 2007**

The following set of Standard Form Mortgage Terms shall be deemed to be included in every mortgage in which the set of terms is referred to by its filing number as provided in section 113.2(2) of the *Land Titles Act*, R.S.A.; as amended.

**Definitions** In this set of Standard Mortgage Terms, the following words and expressions have the following meanings wherever they are used:

- (a) "mortgage" includes the Mortgage, this set of Standard Form Mortgage Terms and all schedules attached to the Mortgage and includes the Mortgage as amended from time to time;
- (b) "mortgagor" and "I" refer to each person who signs the Mortgage as Mortgagor and their heirs, executors, administrators, successors and assigns. Where more than one party signs the Mortgage, the liability shall be joint and several;
- (c) "mortgagee" refers to the Mortgagee named in the Mortgage and its successors and assigns;
- (d) "principal" means the principal amount set out in the Mortgage;
- (e) "the said rate", "interest rate" and the "rate of interest" means the interest rate set out in the Mortgage;
- (f) "land(s)" or "the said lands" or "the mortgaged premises" means the land described in the Mortgage and all buildings, improvements and other structures now or later on it.

**Promise to Pay** **IN CONSIDERATION OF THE PRINCIPAL** lent to the Mortgagor by the Mortgagee, the receipt whereof is hereby acknowledged by the Mortgagor, the Mortgagor hereby covenants and agrees with the Mortgagee as follows:

- 1. That I will pay to the Mortgagee in lawful money of Canada the principal with interest at the interest rate at an office in the Province of Alberta or elsewhere as designated by the Mortgagee from time to time as follows:
  - a. INTEREST at the interest rate on the amount(s) of the principal from time to time advanced, the time of advance being the time the money herein paid out to the Mortgagor or at his/her discretion (including the Solicitor drawing this mortgage), computed from the respective dates of such advances until the date for adjustment of interest, shall become due and be paid on that interest adjustment date.
  - b. THE PRINCIPAL with interest thereon or on so much thereof as shall from time to time remain unpaid, as well after as before maturity until paid and both before and after default, and both before and after judgement, computed from the interest adjustment date, calculated at the interest rate and computed half-yearly not in advance by equal monthly instalments of principal and interest to become due as set forth in the Mortgage such monthly instalments to be applied firstly on account of accrued interest as hereinbefore provided and secondly in reduction of the principal balance remaining unpaid.
- 2. That the mortgagor will pay to the mortgagee interest as aforesaid and in the manner aforesaid on the principal, or so much thereof as shall from time to time remain unpaid, at the rate aforesaid, calculated and computed as aforesaid. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon as aforesaid) as principal and shall bear compound interest at the said rate as well after as before maturity of this mortgage, and all

**Overdue Interest**

whatsoever, and that the mortgagor will not do or permit anything to be done whereby the said policy or policies may be vitiated, and will pay all premiums and sums of money necessary for such purpose, as the same become due, and will assign and deliver unto the mortgagee the policy or policies of insurance and the receipt or receipts relating thereto. Evidence of the renewal of such insurance shall be produced to the mortgagee at least ten (10) days before the insurance then existing shall expire, failing which the mortgagee may insure as hereinafter provided.

**Obligation to Repair**

6. That all monies received by virtue of any policy or policies of insurance may at the option of the mortgagee:
  - a. Be forthwith applied on or towards substantially rebuilding, reinstating and repairing the said premises; or
  - b. Be applied in or towards the payment of the last instalment of principal sum falling due under and by virtue of this mortgage, and in case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid and in case of a surplus then in or towards payment of any interest that may be accrued due; or
  - c. Be paid over in whole or in part to the mortgagor but no such payment shall operate as payment or novation of the mortgagor's indebtedness hereunder or as a reduction of this mortgage; or
  - d. Be applied partly in one way and partly in another as the mortgagee may determine.

**Insurance Against Particular Risks**

7. That it will during the continuance of this security maintain public liability and property damage Insurance against claims for personal injury, death or property damage occurring on or about the said premises, such insurance to afford protection in such amounts as the mortgagee may from time to time reasonably require and also maintain in force rental or business Interruption insurance in an amount sufficient to cover the instalments of principal, interest and taxes payable under this mortgage or eighteen (18) consecutive months.

**Mortgagor's Covenants**

8. And the mortgagor hereby covenants with the mortgagee that the mortgagor
  - a. Has a good title to the said land;
  - b. Has a right to mortgage the said land;
  - c. And that on default the mortgagee shall have quiet possession of the said land, free from all encumbrances;
  - d. Will execute such further assurances of the said land as may be requisite;
  - e. Had done no act to encumber the said land.

**Condition & Repair of Lands**

9. During the continuance of this mortgage the mortgagor will not permit, suffer or allow any act of waste upon the said lands, and will, well and sufficiently repair, maintain, and keep the said premises in good and substantial repair.

**Financial Statements**

10. That the mortgagor will within One Hundred and Twenty (120) days following the end of each of its fiscal periods furnish to the mortgagee a detailed report of that mortgagor's independent auditors accompanied by a detailed balance sheet, profit and loss statement and all supporting schedules together with particulars in income, operating costs and expenses and current rent roll, in each case with respect to the operation of the improvements upon the said lands.

**Inspection of Books**

11. That the mortgagor will permit the mortgagee, either by its officers or authorized agents, to enter upon the said lands or such other premises in which the books of account may be maintained during business hours and inspect the books of the mortgagor, make extracts therefrom and generally conduct such examination of the books of account as the mortgagee may deem fit with respect to the said lands.

- e. Make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, addition to, or putting in order the said premises including without restricting the generality of the foregoing, to complete the construction of any building or buildings or other erections or improvements on the said lands left by any mortgagor in an unfinished state, or award the same to others to complete, and in either of such cases, shall have the right to take possession of and use or permit others to use all or any part of mortgagor's materials, supplies, plant, tools, equipment, (including appliances on the said lands) and property of every kind and description, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth;
- f. Enter into and upon the said lands, or any part thereof, and terminate any tenancy hereby created without giving any notice to quit to the mortgagor, and to receive and take the earnings, revenues, rents, issues and profits thereof, and whether in or out of possession thereof make any lease of the same or any part thereof as the mortgagee sees fit, but it is agreed that neither the existence of this clause nor anything done by virtue hereof shall constitute the mortgagee to be a mortgagee in possession and accountable as such or for any monies except those actually received, whether from a tenant or otherwise;
- g. Serve notice upon any tenant or tenants of the said lands or any part thereof to pay all rents due or thereafter become due to the mortgagee, and the mortgagee shall not by reason of such collection of rent be deemed to be a mortgagee in possession or held accountable as such for any monies, except those actually received and collected;
- h. Seize and distrain upon the said lands or any part thereof and by distress warrant recover by rent reserved as in the case of a demise of the said lands;
- i. Sell and convey the said lands or any part thereof on such terms or credit or part cash and part credit or otherwise as shall appear to be most advantageous and for such prices as can reasonably be obtained therefor, and in the event of a sale for credit, or for part cash and part credit the mortgagee is not be accountable or charged with any monies until actually recovered, and it is agreed that sales may be made from time to time of any part or parts of the said lands to satisfy interest or any portion thereof to run with interest payable as aforesaid and the mortgagee may make any stipulations as to title or otherwise as it shall deem proper and may buy in or rescind or vary any contract for the sale of any part of the said lands and may sell without being answerable for loss occasioned thereby and for any of such purposes may execute all agreements and assurances it shall think fit;
- j. Send or employ an inspector or agent to inspect and report upon the value, state and condition of the said lands, and a solicitor to examine and report upon the title of the same;
- k. Appoint a receiver of the income of the said lands, or any part thereof and delegate to such receiver or any agent any powers of the mortgagee hereunder and any receiver so appointed shall be an agent of the mortgagor;
- l. Exercise its rights or remedies herein reserved successively or concurrently with the exercising by it of the rights and remedies reserved to it in any other security now or hereafter taken to secure the said principal and interest.

and the amounts so paid or indebtedness incurred as aforesaid by the mortgagee together with any and all other costs, charges and expenses which may be incurred in the taking, recovering, keeping possession, or disposing of the said lands, or which may be incurred in any other proceedings taken to protect the security of this mortgage or realize the monies hereby secured, or to perfect the title to the said lands, or to realize on any security collateral hereto, including without restricting the generality of the foregoing all legal costs including the mortgagee's solicitor and client costs, and an allowance for the time, work and expenses of the mortgagee, or of any agent, solicitor or employee of the mortgagee whether such charges, cost and expenses are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the mortgagor or otherwise shall become part of the principal hereby secured and bear interest accordingly at the stipulated rate until paid and all such sums together with

on the execution of this mortgage, and the expenses of the mortgagee in negotiating the within loan, including the examination of financial statement of the Mortgagor, of any Indemnitor and of any guarantor, the inspection and evaluation of the said lands or any other collateral security, the making of the loan commitment, survey costs, legal costs, including solicitor and client costs, of, and incidental to taking, drawing and registering this mortgage and any and all other documents and securities in connection herewith and the examination of title to the said lands and other security and the maintenance of the mortgagee's charge thereon, shall be added to and become part of the principal hereby secured and shall be a charge on the said lands, and shall without demand thereof, be payable forthwith with interest at the rate provided for in this mortgage, and in default, the mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

**Renewal**

22. In the event that the mortgagee shall agree to renew or extend the term of this mortgage, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon the mortgagor, its successors in title and assigns, and all subsequent mortgages, encumbrances and other interests in or of the mortgaged premises (subsequent to this mortgage and together hereinafter called "Subsequent Encumbrances"), and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal or extension is filed or recorded by caveat at the applicable Land Titles office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this mortgage. The mortgagor shall, forthwith on request therefor by the mortgagee, provide to the mortgagee, at the mortgagor's expense, all such postponements and other assurances as the mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the mortgagor's expense (including without limitation payment of mortgagee's legal expenses on a solicitor-and-his-own-client basis). No such renewal or extension, even if made by a successor in title to the mortgagor named herein and whether or not the mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this mortgage as renewed or extended.

**More Than One Mortgagor**

23. That in the interpretation of this mortgage, the word "mortgagor" and all words depending thereon or relating thereto shall be read and construed as in the plural instead of the singular number, if there is more than one mortgagor named, and in such case all covenants herein contained shall be deemed to bind the mortgagor severally as well as jointly and that whenever the singular or the masculine pronoun is used throughout this mortgage the same shall be construed as meaning the plural or the feminine (or neuter in the case of a company) where the context or the parties hereto so require.

**Severability**

24. That in the event any one or more of the provisions contained in this mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the mortgagee be severable from and not affect any other provision of this mortgage, whereupon this mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

**Waiver**

25. That a waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the obligation secured by this mortgage shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms covenants, conditions and other provisions of this mortgage and of the obligations secured thereby shall survive and continue to remain in full force and effect.

**Attorn Rents**

26. That for the purpose of better securing the punctual payment of the principal and interest, the mortgagor hereby attorns and becomes tenant to the mortgagee of the said lands at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of principal, the legal relationship of landlord and tenant being thereby constituted between the mortgagee and the mortgagor to the extent permitted by the laws of the Province of Alberta.



**Condominium  
Lands**

33. In the event that this mortgage is registered against lands registered under the *Condominium Property Act of Alberta*, the Mortgagor covenants and agrees with the Mortgagee that, notwithstanding any other provision of these Standard Charge Mortgage Terms, each of the following provisions contained herein shall apply in respect of any condominium "unit" within the meaning of the *Condominium Property Act of Alberta* that comprises the whole or any part of the lands:
- a. "Condominium Corporation" as used herein means the Condominium Corporation of which the Mortgagor is a member by virtue of the ownership by the Mortgagor of the condominium unit being charged by the mortgage.
  - b. The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the Condominium Corporation:
    - i. in all cases in which a unanimous resolution is required by the *Condominium Property Act of Alberta* as amended, the By-Laws of the Condominium Corporation or any Agreement with the Condominium Corporation:
    - ii. in all other cases other than as referred to in subclause (i) hereof, provided that in the event that the Mortgagee is either not present or present by proxy, or if present, does not wish to vote, then the Mortgagor may exercise the voting right without further authority.
  - c. The Mortgagor does hereby covenant and agree to execute any documents which the Mortgagee may request the Mortgagor to execute, including but not limited to, proxies if required, in order to give effect to the assignment of the aforesaid voting rights of the Mortgagee.
  - d. The Mortgagor agrees to observe and perform all covenants and provisions required to be observed and performed pursuant to:
    - i. the terms of the mortgage;
    - ii. the *Condominium Property Act of Alberta*, all amendments thereto, and any legislation passed in substitution thereof, and
    - iii. the By-Laws of the Condominium Corporation and amendments thereto.
  - e. The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf or any assessment, instalment or payment due to the Condominium Corporation or upon breach of any covenant or provision hereinbefore in this paragraph contained, including those covenants or provisions referred to in clause (d) hereof, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of the mortgage and proceed to exercise its rights herein, and the Mortgagee may pay all monies owing to the Condominium Corporation and add such amount to the principal owing under the mortgage;
  - f. Upon default herein, and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagor may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under any of the clauses herein contained.

**Environmental  
Warranties**

34. The Mortgagor warrants and represents that:
- a. No Hazardous Substances (as defined herein) have been or will be used, stored, processed, manufactured, handled or discharged in, on under or from the mortgaged premises (except as have been disclosed to and approved by the Mortgagee in writing);

expenses and claims of any and every kind whatsoever relating to any breach of non-compliance with laws or regulations by the Mortgagor or its directors, officers, servants, agents, tenants or invitees, or relating to any Hazardous Substances handled, placed, held, located or disposed of on or in the mortgaged premises or related to any claims or proceedings (whether by civil action or related to any enforcement or recovery action under statute or regulation) for injury or damages to person or property from or relating directly or indirectly to the use, presence, handling, disposal, escape or release of any Hazardous Substances on or from the mortgaged premises. Such indemnity includes, without limitation, indemnity against:

- a. All costs (including legal expenses on a solicitor-and-his-own client basis) of defending, counterclaiming and/or claiming against the Mortgagor or any third parties in respect of any action or matter; and
- b. Any and all costs, liabilities, claims or damages arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor, which at any time or from time to time may be paid, incurred or asserted against any of the parties indemnified hereby for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the mortgaged premises or into or upon any land(s), the atmosphere, or any watercourse body of water or wetland, of any Hazardous Substances; and
- c. Any and all environmental remedial costs incurred by the Mortgagee directly or indirectly arising out of or attributable to the non-compliance of the Mortgagor with environmental laws, regulations or orders or to the presence on, under or about the mortgaged premises of Hazardous Substances.

That all such liability and indemnity shall survive the repayment of or sale or foreclosure under this Mortgage and any other extinguishing of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

For the purposes hereof:

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, bylaws, ordinances, treaties, judgements and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental, or occupational health and safety matters and the mortgaged premises and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to:

- i. the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater);
- ii. the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and
- iii. Hazardous Substances, as defined herein.

"Hazardous Substances" means substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the Mortgage and any amendments thereof,

then, in any such case, the outstanding principal balance of the Mortgage shall, at the option of the Mortgagee, immediately become due and payable together with all accrued interest and other monies owing thereunder.

**AMENDMENT AGREEMENT - MORTGAGE**  
**Innovation Credit Union**  
(the Credit Union)  
**198 1<sup>ST</sup> AVE NE**  
**SWIFT CURRENT, SK S9H 3X3**  
(Address)

TO: 1764239 ALBERTA LTD.

MORTGAGE LOAN NUMBER: 830511046930

(the "Borrower(s)")

CO-COVENANTOR:

\_\_\_\_\_

GUARANTOR:

BRIAN OSTRANDER

JUDY HARWOOD

WHEREAS the Credit Union has lent the sum of \$ 4,179,000.00 to the Borrower evidenced and secured by:

- Mortgage from Borrower or Borrower and Guarantor dated **OCTOBER 31, 2013**.  
 Mortgage and Charge Upon Lands dated \_\_\_\_\_  
OR  
 Mortgage from Guarantor only dated \_\_\_\_\_ (complete paragraph 23).

AND

- Promissory Note dated \_\_\_\_\_  
 Loan Agreement dated \_\_\_\_\_  
 Revolving Line of Credit OR Cyclical (Quick Loan) Agreement dated \_\_\_\_\_

The Mortgage or Mortgage and Charge Upon Lands covers the following lands:

**Block 1, Plan 832LK**  
(collectively the "said loan").

and Personal Property Security Agreement dated \_\_\_\_\_

WHEREAS the balance outstanding on the said loan as at **MAY 29, 2014**, is the sum of **\$3,470,183.42**, including accrued interest, which is hereby acknowledged.

WHEREAS the Borrower has applied to have the terms of the said loan amended and the Credit Union has agreed to amend the terms of the said loan on and subject to the following terms and conditions:

NOW THEREFORE, in consideration of the Credit Union agreeing to amend the terms of the said loan, the Borrower acknowledges, covenants and agrees as follows:

**1. INTEREST - Complete either (a) or (b) if rate changes from original loan rate**

To pay interest on the said loan, calculated \_\_\_\_\_ not in advance from and after the \_\_\_\_\_ day of \_\_\_\_\_, as well after as before maturity, default or judgment, as follows:

**(a)  FOR TERM MORTGAGES:**

Complete one of (i) or (ii):

- (i) at the rate of \_\_\_\_\_ % per annum, or  
(ii) at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum.

**(b)  FOR MORTGAGES SECURING REVOLVING OR CYCLICAL CREDIT:**

Complete one of (i) or (ii):

On all amounts advanced up to the authorized limit:

- (i) **Fixed Rate:** at the rate of \_\_\_\_\_ % per annum; or  
(ii) **Floating Rate:** at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum; or  
(iii) **Floating Rate with Minimum:** at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum provided such rate of interest shall not be less than \_\_\_\_\_ % per annum at any time.

At the date of making this agreement the Prime Rate of Interest of the Credit Union is \_\_\_\_\_ % per annum.

2. REPAYMENT-Complete one of (a) to (g) if terms of repayment are to change.

To pay the said loan, together with interest thereon, as follows:

DEMAND (INSTALLMENTS UNTIL PAYMENT IN FULL):

(a) ON DEMAND; provided until demand shall be made by the Credit Union, the said principal and interest shall be paid by installments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, and a like payment every thereafter until the total amount owing (inclusive of principal and interest) has been paid.

INSTALLMENTS UNTIL PAYMENT IN FULL:

(b) By \_\_\_\_\_ installments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, and a like amount every thereafter until the total amount owing (inclusive of principal and interest) has been paid.

DEMAND (INSTALLMENTS UNTIL FIXED DATE):

(c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by installments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, and a like amount every thereafter until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

INSTALLMENTS UNTIL FIXED DATE:

(d) By \_\_\_\_\_ installments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, and a like amount every thereafter until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

PRINCIPAL PLUS INTEREST:

(e) By \_\_\_\_\_ installments of \$ \_\_\_\_\_ on account of the principal, plus accrued interest to date of payment of each installment, the first payment to be due and paid on \_\_\_\_\_, and a like amount every thereafter until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND (INTEREST INSTALLMENTS ONLY UNTIL FIXED DATE):

(f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid \_\_\_\_\_, the first installment of interest to be made on \_\_\_\_\_, and thereafter every \_\_\_\_\_, such payments to continue until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND (CYCLICAL LINE OF CREDIT - PERCENTAGE BALANCE PLUS INTEREST):

(g) On Demand, provided until demand shall be made by the Mortgagee, the said principal and interest shall be paid by monthly installments equal to one percent (1%) of the outstanding balance as of the payment billing date, on account of principal, plus accrued interest to date of payment of each installment, with the first payment to be made in the month following the first advance on the date or dates agreed on with the Mortgagee, and thereafter each month on the date(s) agreed on until the total amount owing, inclusive of principal and interest, has been paid.

OTHER (If other payment state here - e.g. On Demand, or Lump Sum at Maturity):

(h) AS SET OUT ON THE ATTACHED SCHEDULE A.

For loans repayable with interest on the floating rate basis (prime plus), the installment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating installments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

3. OVERDRAFT RATE

(In the event the said loan is a Revolving Line of Credit the following clause applies) If, for any reason, advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to overdrafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Borrower. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.

4. COMPOUND INTEREST ON DEFAULT

On default of payment of any sum to become due for interest at any time appointed for payment compounded interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid compounded monthly.

5. NOMINAL RATE

The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.

## 6. ADVANCES AND DEPOSITS

All sums advanced the Borrower on a revolving or cyclical credit agreement shall be debited to the account and interest shall be charged thereon on the day of any such advance. All sums paid by the Borrower in payment of any advances or deposited in the Borrower's account shall be credited on the date of receipt of funds. All deposits to the account are a payment on the revolving or cyclical credit agreement and for the purpose of *The Personal Property Security Act* constitute a debtor initiated payment. If any cheques deposited to the account is subsequently dishonoured for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan. All such payments and deposits shall be applied and credited firstly on interest owing at the time of payment and the balance on principal.

## 7. SECURITY HELD AS CONTINUING SECURITY

The security hereby granted by the Borrower together with any substituted security that may be granted by the Borrower to the Credit Union in the future shall be held by the Credit Union as a continuing security for the payment and satisfaction of all debts and liabilities which are now or at any time here after due, owing or incurred by the Borrower under this agreement and notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again. The Borrower agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

## 8. PERFORMANCE OF TERMS

To observe and perform and fulfill all of the terms, covenants, conditions, provisos, and agreements contained in the said loan, and in any other agreement provided as security for the said loan, or to secure repayment of the said loan.

## 9. NO MERGER

Nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the security for the said loan, and its enforceability or alter, affect or prejudice the rights and priorities of the Credit Union, all of which rights are hereby reserved as against:

- (a) any surety or co-covenantor or guarantor of the payment of the said loan or any part thereof;
- (b) any subsequent encumbrance or other person having any interest in or claim upon any property mortgaged, pledged or assigned to the Credit Union;
- (c) the rights of any surety, co-covenantor, guarantor, subsequent encumbrancer or other person as against any collateral or additional security which the Credit Union may now or hereafter hold in respect of the said loan or any part thereof.

## 10. AGREEMENT READ WITH SECURITY

This agreement shall from the date hereof and without prejudice to the present state of the loan amount, be read and construed with the security therefore, and be treated as part thereof and for such purpose the said security agreements shall be regarded as hereby amended and the said loan and collateral security together with all terms, covenants and provisos thereof as so amended, as well as the Land Titles and Personal Property Security registrations pertaining to the said loan, shall be and continue to be in full force, virtue and effect and secure the amount remaining owing on the said loan. This agreement is intended to operate as an amendment agreement only, and not as a new loan or a novation to the said loan or any collateral security.

## 11. SECTION 10 OF THE INTEREST ACT

Where the amendment extends the term of the said loan, for the purposes of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

## 12. DEFAULT

Any default under this agreement shall be deemed to be a default under the said loan and collateral security and that upon such default the whole of the principal sum and all other monies payable under the terms of the said loan shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the said loan and collateral security.

## 13. NO INCREASE TO LOAN OR LINE OF CREDIT LIMIT

- (a) In the case of amendment to a term loan, it is acknowledged and agreed that no new money in addition to the money advanced under the said loan has been or will be advanced by the Credit Union to the Borrower as a result of the execution of this agreement.
- (b) In the case of amendments to a *Revolving or Cyclical Credit*, it is acknowledged that there is no increase to the authorized limit as a result of execution of this agreement, and the advances made hereafter in addition to the previous advances shall bear interest at the rate specified in Paragraph 1 hereof.

#### 14. EXECUTION OF THE ADDITIONAL DOCUMENTS

The Borrower agrees to execute such further or other documents as may be required by the Credit Union to amend the said loan or any of the collateral security taken, with respect to the amount owing on the said loan.

#### 15. PROVISIONS SEVERABLE

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

#### 16. OBLIGATIONS, JOINT AND SEVERAL

This agreement shall enure to the benefit of and be binding upon the parties herein, and their heirs, executors, administrators, successors and assigns, and all obligations and covenants shall be construed as both joint and several and shall enure to the benefit of the Credit Union, and its successors and assigns.

#### 17. PREAMBLE

The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.

#### 18. ACKNOWLEDGMENT AND WAIVER

The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any financing or verification statement or other registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.

#### 19. SECURING REVOLVING OR CYCLICAL CREDIT AGREEMENT

Where the security secures a Revolving Line of Credit or Cyclical (Quick Loan) Credit Agreements, the Borrower acknowledges and agrees: (a) that the security shall be a continuing security for the payment of all amounts advanced including interest, costs, charges and expenses which may become due and payable under the terms of the security notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again; and (b) for the purposes of priority of advances as provided under *The Land Titles Acts 2000*, as amended, is and shall be considered a Mortgage that provides for re-advances of credit up to a specific principal sum.

#### 20. COLLECTION AND USE OF INFORMATION

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (a) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (b) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (c) administer, monitor and service the Borrower's account and collect the Borrower's loan;
- (d) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (e) comply with legal, security and regulatory requirements;
- (f) assist in dispute resolution;
- (g) understand the Borrower's needs and eligibility for products or services;
- (h) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers;

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provision of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose Information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such Information and the Borrower specifically directs and authorizes such entities to provide Information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use Information at any time in connection with the Borrower's loans, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan. The Credit Union may use this information for so long as it is needed for the purposes described. The Borrower understands that the borrower can ask the Credit Union and its affiliates or service suppliers to stop using the Information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's Information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's Information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

**21. PRIVACY**

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

**22. AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the Co-covenantor's liability is joint and several with the Borrower.

**23. IF MORTGAGE FROM GUARANTOR ONLY** (Check applicable box)

- The repayment terms and interest rate in the Mortgage from the Guarantor are also amended as stipulated.
- Only the repayment terms and interest rate in the credit agreement with the Borrower are amended. The repayment terms and interest rate in the Mortgage from the Guarantor are not amended.

**24. APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

**25. ADDITIONAL AMENDMENT TO LOAN OR SECURITY**

That the said loan and security be further amended as provided on Schedule "A" hereto.

**IF LOAN IS TO BE AMENDED FOR REASONS OTHER THAN INTEREST OR PAYMENTS, INCLUDE AMENDMENTS ON SCHEDULE "A".**

IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 29<sup>TH</sup> day of MAY, 2014.

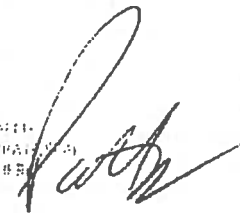
**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE OF SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

WITNESSES

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP  
SIGNATURE OF BORROWER(S)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WIT-  
# 3  
# 3  


IF BORROWER IS A CORPORATION:

1764239 ALBERTA LTD.

\_\_\_\_\_  
Print Exact Name of Corporation

C.S. By:  \_\_\_\_\_  
(Officer of Corporation)

C.S. By: \_\_\_\_\_  
(Officer of Corporation)



---

NAME	ADDRESS	POSTAL CODE
1764239 ALBERTA LTD.	954 7 ST SW MEDICINE HAT, AB	T1A 7R7

---

**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this Agreement this \_\_\_\_\_ day of \_\_\_\_\_,

WITNESSES \_\_\_\_\_ Signature of Co-Covenantor(s)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

NAME	ADDRESS	POSTAL CODE
_____	_____	_____
_____	_____	_____

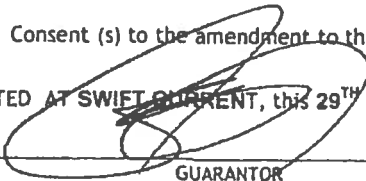
**GUARANTOR**

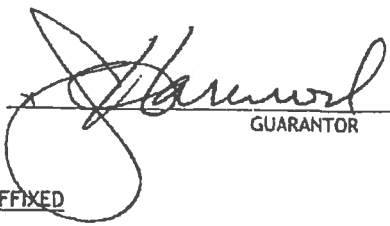
ACKNOWLEDGEMENT OF GUARANTORS)

The undersigned Guarantor(s)

1. Acknowledge(s) the Borrower has applied to amend the terms of the said loan;
2. Agree(s) that the guarantee(s) applies and extends to the said loan as amended;
3. Consent (s) to the amendment to the said loan as set forth in this agreement.

DATED AT SWIFT CURRENT, this 29<sup>TH</sup> day of MAY, 2014.

x   
 \_\_\_\_\_  
 GUARANTOR

  
 \_\_\_\_\_  
 GUARANTOR

IN THE CASE OF A CORPORATE GUARANTEE THE SEAL IS TO BE AFFIXED

NAME	ADDRESS	POSTAL CODE
BRIAN OSTRANDER	2125 - 1010 ARBOUR LAKE RD NW CALGARY, AB	T3G 4Y8
JUDY HARWOOD	RR 3 LCD MAIN BOX 1 SITE 318 SASKATOON, SK	S7K 3J6

**HOMESTEAD COMPLIANCE**

**CONSENT OF NON-OWNING SPOUSE**

I, \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, consent to the above disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the attached disposition in favour of the Credit Union to the extent necessary to give effect to the Amendment Agreement - Mortgage.

\_\_\_\_\_  
Signature of Non-owning Spouse

**CERTIFICATE OF ACKNOWLEDGEMENT (Required if non-owning spouse)**

I, \_\_\_\_\_, \_\_\_\_\_, certify that I have examined \_\_\_\_\_ non-owning spouse of \_\_\_\_\_, the owning spouse, in the above Amendment Agreement-Mortgage separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:  
(a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and  
(b) understand his or her rights in the homestead.  
I further certify that I have not, nor has my employer, partner or clerk, prepared the above Amendment Agreement-Mortgage and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

\_\_\_\_\_  
Signature

**HOMESTEAD AFFIDAVIT**

I, \_\_\_\_\_, of \_\_\_\_\_, make oath and say that:

1. I am the/a Borrower.

Select one.

- 2.  That my spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship.  
-or-
- 2.  That I have no spouse.  
-or-
- 2.  That my spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.  
-or-
- 2.  That my spouse and I have entered into an Interspousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his/her homestead rights in the land that is the subject matter of this disposition.  
-or-
- 2.  An Order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time of appealing has expired) or (all appeals from the order have been disposed of or discontinued).

SWORN before me at \_\_\_\_\_ )  
in the Province of Saskatchewan )  
this \_\_\_\_\_ day of \_\_\_\_\_ )  
\_\_\_\_\_) \_\_\_\_\_

A COMMISSIONER FOR OATHS in and for the Province of Saskatchewan;

Being a Solicitor (or) \_\_\_\_\_

My Commission expires: \_\_\_\_\_

## SCHEDULE "A" TO AMENDMENT AGREEMENT - MORTGAGE

This schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 29<sup>TH</sup> day of MAY, 2014.

### PART A

(Complete if adding or changing paragraph to Mortgage)

1. That the Mortgage document be amended by adding the following paragraphs: (Use additional schedule if more space required):
2. That the Mortgage document be amended by deleting the following paragraph(s):

to be replaced by:

### PART B

(Complete if adding land to the Mortgage)

1. That the Mortgage document be amended by adding the following lands (the "additional land"):
2. The additional land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the Mortgage document and the Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands and the additional land in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.

### PART C

(Complete if land is to be deleted from Mortgage and replaced by other land)

1. That the Mortgage document be amended by deleting the following lands:

To be replaced by the following specific land:

(The land herein to be referred to as the "substituted land" or "substituted security")

2. The substituted land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands not deleted or released or the substituted land in such order or such manner or fashion as the credit union in its sole discretion, sees fit.
3. It is agreed that the Credit Union will release and discharge the land from the said loan only if and when the substituted security shall be registered, protected or perfected as the case may be subject to any encumbrances as the credit union may accept at the time of registration or perfection.

### PART D

(Complete if adding or changing paragraph in the Security Agreement or adding security to Security Agreement)

1. That the said loan or Security Agreement be amended by adding the following paragraphs:
2. That the said loan or Security Agreement be amended by deleting the following paragraphs:

to be replaced by:

3. That the Security Agreement is to be amended by adding the following specific security, to which the security interest extends and attaches:

## PART E

(Complete if specific collateral to be exchanged in Security Agreement)  
eg. exchanging specific vehicles

1. That the said Security Agreement be amended by deleting the following specific security (collateral):

To be replaced by the following security, to which the security interest extends and attaches:

together with all Proceeds including but not limited to: goods, chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destructions of or dealing with the collateral. (The collateral herein to be referred to as the "substituted security" or "substituted collateral".)

2. That the Security Agreement be further amended by adding the following paragraphs (clauses):
  - (a) The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not deleted or released or in the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
  - (b) It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

## PART F

(Complete if Security to be substituted eg. Equipment for Accounts Receivable)

1. The following security for the said loan shall be released and discharged:

To be replaced by the following security to which the security interest extends and attaches:

together with Proceeds including but not limited to: goods chattel paper, securities, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral.

hereafter referred to as the "substituted security".

2. The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not released or the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
3. It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be executed and registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

Nothing herein shall in any way affect or discharge the security not release herein or in any way release the Borrower from payment of the monies owing on the said loan.

## PART G

(complete if adding, changing or substituting Pre-payment Provisions)

### SCHEDULE OF PRE-PAYMENT CONDITIONS

WHEN NOT IN DEFAULT OF ANY OF THE TERMS, COVENANTS, CONDITIONS, OR PROVISIONS OF THE MORTGAGE, THE BORROWER MAY:

Check one

- PR1 - Open Fixed and Open Variable
- a) The Mortgagor shall have the privilege of, at any time, paying any sum in addition to the sums payable hereunder, on account or in full of the Mortgage and interest, without notice or bonus, and in that event, interest on such amount so paid shall be computed only to such date of payment.
  - b) Notwithstanding any prepayment on account of principal, the regular instalments due under the mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment.
- PR2 -Closed Variable
- (a) Prepay the whole or any part of the principal amount then outstanding, without notice or bonus, unless the Mortgagor(s) is receiving financing to make such payment, either directly or indirectly, from another lender or financial institution in which case the Mortgagor(s) shall pay an amount equal to 90 days interest on the amount so paid.

(b) Notwithstanding any prepayment on account of principal, the regular installments due under the mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment. In addition the Mortgagor promises to pay any amounts that may be due and owing under any Cash Back Incentive or any other loan agreement between the Mortgagee and the Mortgagor. The terms of any such agreement are hereby incorporated into and form part of the Mortgage.

PR3 - Consumer Closed, Fixed

- a) During each twelve month period from the anniversary date of the Mortgage on any regular payment date, prepay on account of principal a sum not more than 20% of the original amount of the Mortgage without notice or bonus. This privilege is not cumulative from year to year and shall not apply in the event the Mortgagor wishes to prepay the Mortgage in full, renegotiate the interest rate or where the Mortgagor wishes to prepay more than the percentage herein, in which case paragraph (c) shall apply;
- b) During each term of the Mortgage, on written notice, increase the regular installment by a cumulative maximum increase of 20% of the regular installment set at the beginning of the term, without charge. If the regular installment has increased, the Mortgagor may decrease the installments to an amount not less than the original installment amount set at the beginning of the term, on written notice and with payment of the prescribed fee;
- c) Prepay the whole or any part of the principal amount then outstanding or renegotiate the interest rate, without notice, on payment of:
  - i. An amount equal to the greater of:
    - (a) 90 days interest on the amount so paid; or
    - (b) the loss of interest (i.e. interest differential), if any, for the remainder of the term, calculated on the Mortgage balance then outstanding, where the interest rate of this loan is greater than our current interest rate for new mortgages of a similar type with a term equal to the next shorter term than the remaining term of the existing Mortgage. Where the remaining term of the existing Mortgage is less than one year, our stated rate for our similar one year mortgage will apply.
- d) Notwithstanding any prepayment on account of principal, the regular installments due under the Mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment;
- e) The privileges herein do not apply or cease to apply in the event the mortgaged property is used in whole or in part for commercial, industrial or revenue purposes or is not or is no longer a principal residence;
- f) Notwithstanding the above, if the Mortgage is for a term of six (6) months or less, the Mortgagor shall be entitled, without charge, to renew the term of the Mortgage at any time before the maturity date at the then current rates of the Mortgagee by signing a Mortgage Renewal Agreement provided that the mortgage renewal shall be for a term of one (1) year or greater. The new interest rate shall take effect as of the first day of the month following early renewal and the payments shall thereafter be adjusted accordingly.

In addition the Mortgagor promises to pay any amounts that may be due and owing under any Cash Back Incentive or any other loan agreement between the Mortgagee and the Mortgagor. The terms of any such agreement are hereby incorporated into and form part of the Mortgage.

PR4 - Revenue Closed, Fixed

- a) During each twelve-month period from the anniversary dates of the Mortgage account on any regular payment date, prepay on account of principal a sum not more than 20% of the original amount of the Mortgage without notice or bonus. This privilege is not cumulative from year to year and shall not apply in the event the Mortgagor wishes to prepay the Mortgage in full, renegotiate the interest rate or where the Mortgagor wishes to prepay more than the percentage herein, in which case paragraph (c) shall apply;
- b) During each term of the Mortgage, on written notice, increase the regular installment by a cumulative maximum increase of 20% of the regular installment set at the beginning of the term, without charge. If the regular installment has increased, the Mortgagor may decrease the installments to an amount not less than the original installment amount set at the beginning of the term, on written notice and with payment of the prescribed fee;
- c) Prepay the whole or any part of the principal amount then outstanding or renegotiate the interest rate, without notice, on payment of:
  - i. An amount equal to the greater of:
    - (a) 90 days interest on the amount so paid;
    - (b) the loss of interest (i.e. interest differential), if any, for the remainder of the term, calculated on the Mortgage balance then outstanding, where the interest rate of this loan is greater than our current interest rate for new mortgages of a similar type with a term equal to the next shorter term than the remaining term of the existing Mortgage. Where the remaining term of the existing Mortgage is less than one year, our stated rate for our similar one year mortgage will apply.
- d) Notwithstanding any prepayment on account of principal, the regular installments due under the Mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment.

In addition the Mortgagor promises to pay any amounts that may be due and owing under any Cash Back Incentive or any other loan agreement between the Mortgagee and the Mortgagor. The terms of any such agreement are hereby incorporated into and form part of the Mortgage.

PR5 - Not available

PR6 - Ag and Commercial Closed Fixed

- a) During each twelve month period from the anniversary date of the Mortgage on any regular payment date, prepay on account of principal a sum not more than 20% of the original amount of the Mortgage without notice or bonus. This privilege is not cumulative from year to year and shall not apply in the event the Mortgagor wishes to prepay the Mortgage in full, renegotiate the interest rate or where the Mortgagor wishes to prepay more than the percentage herein, in which case paragraph (b) shall apply;
- b) Prepay the whole or any part of the principal amount then outstanding or renegotiate the interest rate, without notice, on payment of:  
An amount equal to the greater of:  
(a) 90 days interest on the amount so paid;  
(b) the loss of interest (i.e. interest differential), if any, for the remainder of the term, calculated on the Mortgage balance then outstanding, where the interest rate of this loan is greater than our current interest rate for new mortgages of a similar type with a term equal to the next shorter term than the remaining term of the existing Mortgage. Where the remaining term of the existing Mortgage is less than one year, our stated rate for our similar one year mortgage will apply.
- c) Notwithstanding any prepayment on account of principal, the regular installments due under the Mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment.

PR7 - Consumer Closed, Fixed - 10 10

- a) During each twelve month period from the anniversary date of the Mortgage on any regular payment date, prepay on account of principal a sum not more than 10% of the original amount of the Mortgage without notice or bonus. This privilege is not cumulative from year to year and shall not apply in the event the Mortgagor wishes to prepay the Mortgage in full, renegotiate the interest rate or where the Mortgagor wishes to prepay more than the percentage herein, in which case paragraph (c) shall apply;
- b) During each term of the Mortgage, on written notice, increase the regular installment by a cumulative maximum increase of 10% of the regular installment set at the beginning of the term, without charge. If the regular installment has increased, the Mortgagor may decrease the installments to an amount not less than the original installment amount set at the beginning of the term, on written notice and with payment of the prescribed fee;
- c) Prepay the whole or any part of the principal amount then outstanding or renegotiate the interest rate, without notice, on payment of:  
i. An amount equal to the greater of:  
(a) 90 days interest on the amount so paid; or  
(b) the loss of interest (i.e. interest differential), if any, for the remainder of the term, calculated on the Mortgage balance then outstanding, where the interest rate of this loan is greater than our current interest rate for new mortgages of a similar type with a term equal to the next shorter term than the remaining term of the existing Mortgage. Where the remaining term of the existing Mortgage is less than one year, our stated rate for our similar one year mortgage will apply.
- d) Notwithstanding any prepayment on account of principal, the regular installments due under the Mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment;
- e) The privileges herein do not apply or cease to apply in the event the mortgaged property is used in whole or in part for commercial, industrial or revenue purposes or is not or is no longer a principal residence;
- In addition the Mortgagor promises to pay any amounts that may be due and owing under any Cash Back Incentive or any other loan agreement between the Mortgagee and the Mortgagor. The terms of any such agreement are hereby incorporated into and form part of the Mortgage.

I/We acknowledge the option selected and that this pre-payment schedule represents part of the Mortgage Disclosure Statement or Amendment Agreement as the case may be.

  
Initials

## SCHEDULE "A"

The Mortgagor will pay to the Mortgagee in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan, set out above, the sum lent to the Mortgagor as aforesaid, together with interest as follows:

- a) From the date of the advance of funds until the 15 day of September, 2017 the Mortgagor will pay interest at a rate of 4.32% calculated yearly, not in advance, as well after as before maturity, default or judgment.

The sum lent and the aforesaid interest shall be paid as follows:

Upon demand, but until demand:

- b) By monthly installments of interest alone, the first payment to be made on the 15<sup>th</sup> day of May, 2014 and continuing on the 15<sup>th</sup> day of each and every month up to and including the 15<sup>th</sup> day of September, 2014; and
- c) By monthly installments of principal and interest of *Thirty One Thousand Five Hundred and Eighty Six Dollars --- 00/100 (\$31,586.00)*, the first payment to be made on the 15<sup>th</sup> day of October, 2014, and a like amount every month thereafter up to and including the 15<sup>th</sup> day of September, 2017 when the entire balance then owing shall become due and payable. Each payment is to be applied and credited firstly on interest with the balance on principal.



**AMENDMENT AGREEMENT – MORTGAGE  
(TO INCREASE PRINCIPAL TO ALLOW FOR READVANCES)**

Concentra Financial Services Association

333 3rd Avenue North, Saskatoon, SK S7K 2M2

(Address)

(the "Credit Union")

TO: 1764239 Alberta Ltd.

MORTGAGE LOAN NUMBER 830511046930

954 7 Street SW

Medicine Hat, Alberta T1A 7R7

(the "Borrower")

CO-COVENANTOR:

GUARANTOR:

Brian Ostrander

Judy Harwood

INSERT  
AMOUNT  
OF ORIGINAL  
MORTGAGE  
LOAN  
AND  
MORTGAGE  
DATE

**WHEREAS:**

1. The Borrower has executed a Mortgage in favour of the Credit Union for the maximum principal sum of \$ 4,179,000, dated October 31, 2013

covering the following lands:

INSERT LEGAL  
DESCRIPTION

**Plan 832LK**

**Block 1**

**EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.938 HECTARES(2.32 ACRES) MORE OR LESS**

2.

Mortgage, and allow readvances up to the new principal sum or in the case of a revolving or cyclical loan, to increase the authorized credit limit;

COMPLETE  
A OR B

TERM LOAN  
Insert new Principal  
amount and amount  
of readvance

REVOLVING OR  
CYCLICAL  
CREDIT  
AGREEMENT  
Insert new Credit  
Limit

3. Specifically, the Borrower requests:

- a. that the Credit Union:
  - i. increase the maximum principal sum of the Mortgage to \$ 4,679,000 (the "New Maximum Principal Sum"); and
  - ii. advance the sum of \$ 500,000 on the Mortgage (the "Readvance");

OR

- b. that the Credit Union increase the maximum principal sum of the Mortgage to \$ \_\_\_\_\_; (the "New Authorized Credit Limit").

either or both referred to as the "New Maximum Principal Sum".

4. The Credit Union has agreed to amend the Mortgage to allow for such increase subject to the following terms and conditions:

NOW THEREFORE, in consideration of the Credit Union agreeing to increase the Mortgage to the New Maximum Principal sum the Borrower and Co-covenantor if applicable, acknowledge, covenant and agree as follows:

1. **EXECUTION OF ADDITIONAL DOCUMENTS**

The Borrower agrees to execute such further or other documents as may be required by the Credit Union to amend the said Mortgage or any security taken, to reflect the increase to the New Maximum Principal Sum;

In connection with the increase to the New Authorized Credit Limit, if required, the Borrower agrees to execute a new Revolving or Cyclical Credit Agreement (hereinafter called the "New Revolving or Cyclical Credit Agreement") in conjunction with this agreement.

2. **ADVANCES**

The present balance owing, as well as the Readvance, or in the case of a revolving or cyclical loan the current balance and any future amounts advanced shall be treated and considered to be amounts advanced under the Mortgage and all such amounts shall be due and payable and bear interest as provided herein or as specified in the New Revolving or Cyclical Credit Agreement.

3. **CONTINUING CHARGE**

The Mortgage shall be a continuing security and charge for the payment of all amounts advanced or to be advanced under the Mortgage including the Readvance and interest, costs, charges and expenses which may become due and payable under the terms of the Mortgage, notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

4. **INTEREST- Complete either (a) or (b) if rate changes from original Mortgage rate.**

To pay interest on the Mortgage calculated yearly not in advance from and after the 15 day of July, 2014, as well after as before maturity, default or judgment, as follows:

INSERT  
CALCULATION  
FREQUENCY  
(IE, ANNUALLY  
OR SEMI-  
ANNUALLY)

COMPLETE ONE  
OF (i) OR (ii)

**FOR TERM MORTGAGES:**

- (a) (i) Fixed Rate: at the rate of 4.33 % per annum, or
- (ii) Floating Rate: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum.

COMPLETE ONE  
OF (i), (ii) or (iii)

**FOR MORTGAGES SECURING REVOLVING OR CYCLICAL CREDIT:**

(b) On all amounts advanced up to the New Authorized Credit Limit:

- (i) Fixed Rate: at the rate of \_\_\_\_\_ % per annum; or
- (ii) Floating Rate: at the rate of interest equal to the Prime Rate Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum.
- (iii) Floating Rate with Minimum: at the rate of interest equal to the Prime Rate Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum provided such rate of interest shall not be less than \_\_\_\_\_ % per annum at any time.

CURRENT  
PRIME RATE

At the date of making this agreement the Prime Rate of Interest of the Credit Union is \_\_\_\_\_ % per annum.

5. **REPAYMENT (for Term Loan or Quick Loan only)** - Complete one of (a) to (g) if terms of repayment are to change.

To pay the said Mortgage, together with interest thereon, as follows:

DEMAND  
(INSTALMENTS  
UNTIL  
PAYMENT IN  
FULL)

(a) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid.

INSTALMENTS  
UNTIL  
PAYMENT IN  
FULL

(b) By Monthly instalments of \$ 29,175 each, the first payment to be made on January 15, 2015, and a like amount every month thereafter until the total amount owing (inclusive of principal and interest) has been paid.

DEMAND  
(INSTALMENTS  
UNTIL FIXED  
DATE)

(c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by \_\_\_\_\_ Instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

INSTALMENTS  
UNTIL  
FIXED DATE

(d) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

PRINCIPAL  
PLUS  
INTEREST

(e) By \_\_\_\_\_ Instalments of \$ \_\_\_\_\_ on account of the principal, plus accrued interest to date of payment of each Instalment, the first payment to be due and paid on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND  
(INTEREST  
INSTALMENTS  
ONLY UNTIL  
FIXED DATE)

(f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid \_\_\_\_\_, the first instalment of interest to be made on \_\_\_\_\_, \_\_\_\_\_, and thereafter every \_\_\_\_\_, such payments to continue until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

QUICK LOAN  
PERCENTAGE  
PAYMENT

(g) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by monthly instalments equal to \_\_\_\_\_ % of the outstanding balance as of the payment billing date, with the first payment to be made in the month following the first advance on the date or dates agreed on with the Credit Union, and thereafter each month on the date(s) agreed on until the total amount owing, inclusive of principal and interest, has been paid.

QUICK LOAN  
PERCENTAGE  
ON PRINCIPAL  
PLUS  
INTEREST

(h) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by monthly instalments equal to \_\_\_\_\_ % of the outstanding balance as of the payment billing date, on account of principal, plus accrued interest to date of payment of each instalment, with the first payment to be made in the month following the first advance on the date or dates agreed on with the Credit Union and thereafter each month on the date or dates agreed until the total amount owing (inclusive of principal and interest), has been paid.

IF OTHER  
REPAYMENT  
STATE HERE  
(E.G.: ON  
DEMAND, OR  
LUMP SUM AT

(i) OTHER

By monthly installments of interest alone, the first payment to be made on the 15th day of July, 2014, and continuing on the 15th day of each month up to and including the 15th day of December, 2014.

MATURITY)

Except as otherwise expressly agreed to by the Credit Union all payments or deposits shall be applied and credited firstly to interest and the balance to principal. For loans repayable with interest on the floating rate basis (prime plus), the instalment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating instalments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

6. **OVERDRAFT RATE**

(In the event the said loan is a Revolving Line of Credit the following clauses applies)

If for any reason advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to overdrafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Borrower. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.

7. **ADVANCES AND DEPOSITS**

All sums advanced to the Borrower on a Revolving or Cyclical Credit Agreement shall be debited to the account and interest shall be charged thereon on the day of any such advance. All sums paid by the Borrower in payment of any advances or deposited into the Borrower's account shall be credited on the date of receipt of funds. All deposits to the account are a payment on the Revolving or Cyclical Credit Agreement and for the purpose of *The Personal Property Security Act, 1993* constitute a debtor initiated payment. If any cheque deposited to the account is subsequently dishonoured for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan. All such payments and deposits shall be applied and credited firstly on interest owing at the time of payment and the balance on principal.

8. **ORIGINAL SECURITY TO APPLY**

All terms and conditions set forth in the Mortgage and collateral security thereto, except as may be amended by this agreement, or any previous amendment agreement, shall continue in full force and effect and secure all advances under the Mortgage and nothing herein contained is intended to or shall have the effect of discharging, merging, replacing or rendering unenforceable the Mortgage or any collateral security taken thereto, and the Mortgage shall be read and construed as though the above provisions had been inserted therein.

9. **SECTION 10 OF THE INTEREST ACT**

Where the amendment extends the term of the Mortgage, for the purpose of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

10. **DEFAULT**

Any default under this agreement shall be deemed to be a default under the said Mortgage and collateral security and that upon such default the whole of the principal sum and all other monies payable under the terms of the Mortgage shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the Mortgage and collateral security.

11. **AGREEMENT CONSTRUED WITH OTHER AGREEMENTS**

It is further agreed that this agreement shall, from the date hereof and without prejudice to the present state of the Mortgage amount, be read and construed with the Mortgage and any collateral security thereto, and be treated as part thereof, and for such purposes the mortgage and collateral security shall be regarded as thereby amended and the said Mortgage and collateral security together with all covenants and provisos thereof as so amended, shall continue to be in full force, virtue and effect, and secure all advances under the Mortgage

12. **NO MERGER OR DISCHARGE**

It is further agreed that nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the Credit Union's right as against any surety, guarantor or co-covenantor for payment of the Mortgage loan or any part thereof, or as against any subsequent encumbrancer or other person having an interest in or claiming against the land, all of which rights are hereby reserved.

13. **PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

14. **HEADINGS**

The descriptive headings of this agreement are included for convenience only and do not form part of the covenants, provisos and agreements herein contained.

15. **AGREEMENT TO BIND HEIRS, ETC.**

This agreement shall enure to the benefit of and be binding upon each of the persons named herein, and each of their heirs, executors, administrators, successors and assigns, and shall be construed as both joint and several and shall enure to the benefit of the Credit Union, its successors and assigns.

16. **NOMINAL RATE**  
The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.
17. **PREAMBLE**  
The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.
18. **ACKNOWLEDGEMENT AND WAIVER**  
The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any statement or registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.
19. **EXTENSION OR AMENDMENT AGREEMENT NEED NOT BE REGISTERED**  
Any agreement for extension of the term of the Mortgage, or any agreement amending the provisions of the Mortgage including inter alia increasing or decreasing the rate of interest payable hereunder or in connection with any readvance on the Mortgage, prior to the execution of a discharge of this Mortgage by the Credit Union need not be registered in any Land Registry. If, upon the expiry of any term, the Credit Union offers to extend the term of this Mortgage and the Borrower fails to execute an extension agreement as required, the Credit Union may prescribe the terms of renewal or extension (which will include extending the term for a further period of one year and prescribing the rate of interest payable on the outstanding balance at the then prevailing Credit Union's one year open Mortgage rate) and such terms shall be deemed to apply and be in force and effect as against the Borrower as of the commencement date of the renewal or extended term. The Mortgage, as amended, and all terms, covenants, and provisions shall continue in full force and effect and nothing contained in any extension or amendment agreement shall have the effect of discharging, merging, replacing or rendering unenforceable this Mortgage as security unless the agreement so states.
20. **CORPORATE WAIVER**  
And it is further agreed that the following paragraph applies only if the Borrower is a corporate body, in which case the Borrower also covenants and agrees with the Credit Union:
- (a) That *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this agreement;
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this agreement, any charge or other security for the payment of money made, given or created by this agreement or any agreement renewing or extending this agreement and shall in no way limit the rights, powers or remedies of the Credit Union granted herein; and
21. **READVANCES**  
In the event the Mortgage does not already specify then the following provision shall be added to the mortgage terms and the Mortgage shall be considered as hereby amended:
- When not in default, the Borrower may request, and the Credit Union may, in its absolute and sole discretion, readvance any principal portion of the within mortgage loan which has been repaid by the Borrower to the Credit Union, but only to the extent that the principal balance outstanding after such re-advance shall not exceed the amount of the principal sum secured. The Borrower agrees that notwithstanding that the Mortgage may be reduced and re-advances made, this Mortgage secures all sums ultimately due and owing by the Borrower to the Credit Union in respect of this Mortgage, including any re-advancement of principal monies made by the Credit Union to the Borrower at any time. No change to the terms of repayment, the obligations of the Borrower, or the manner of payment or the amount of interest shall operate as a release or discharge of this Mortgage.
22. **COSTS**  
The Borrower shall be responsible for all costs and expenses incurred by the Credit Union in connection with this amendment including, without limitation, legal fees as between solicitor and own client and registration fees if any. If the Borrower does not pay any such charges promptly upon demand, the Credit Union may charge such costs and expenses to the Mortgage and interest shall be payable thereon at the same rate as that payable on the principal sum.
23. **MORTGAGE SECURING REVOLVING OR CYCLICAL CREDIT AGREEMENT**  
Where the mortgage secures Revolving Line of Credit or Cyclical (Quick Loan) Credit Agreements, the Borrower acknowledges and agrees: (a) that the mortgage shall be a continuing security for the payment of all amounts advanced including interest, costs, charges and expenses which may become due and payable under the terms of the mortgage, notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again; and (b) for the purposes of priority of advances as provided under *The Land Titles Act, 2000*, the mortgage, as amended, is and shall be considered a mortgage that provides for readvances of credit up to a specific principal sum.

**24. COLLECTION AND USE OF INFORMATION**

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (i) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (ii) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (iii) administer, monitor or service the Borrower's account and collect the Borrower's loan;
- (iv) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (v) comply with legal, security and regulatory requirements;
- (vi) assist in dispute resolution;
- (vii) understand the Borrower's needs and eligibility for products or services;
- (viii) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers.

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus or other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provisions of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, updating, disclosing, sharing or exchanging such information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and the Borrower specifically directs and authorizes such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with the Borrower's loan, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan. The Credit Union may use this information for so long as it is needed for the purpose described. The Borrower understands that the Borrower can ask the Credit Union to stop using the information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaging in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

**25. PRIVACY**

Credit Union and Privacy legislation prescribe and resist the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

**26. APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

**27. AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the co-covenantor's liability is joint and several with the Borrower.

**28. OTHER AMENDMENTS**

That the Mortgage and collateral security be further amended as provided on Schedule "A" hereto.

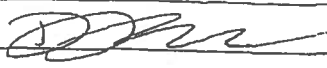
IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 10<sup>th</sup> day of July, 2014.

THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.

WITNESS

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

SIGNATURE OF BORROWER(S)

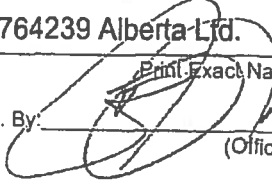
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AFFIX  
CORPORATE  
SEAL HERE

IF BORROWER IS A CORPORATION

1764239 Alberta Ltd.

Print Exact Name of Corporation  
C.S. By:  BRIAN OSTRANDER,  
PRESIDENT  
(Officer of Corporation)

C.S. By: \_\_\_\_\_  
(Officer of Corporation)

NAME	ADDRESS	POSTAL CODE
<u>Brian Ostrander</u>	<u>1010 Arbour Lake NW, Unit 2125 Calgary, Alberta</u>	<u>T3G 4Y8</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this agreement this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESSES

Signature of Co-Covenantor

\_\_\_\_\_  
\_\_\_\_\_

NAME	ADDRESS	POSTAL CODE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

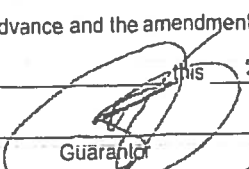
**GUARANTOR**

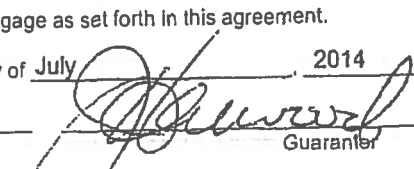
GUARANTOR(S) AGREEMENT

The undersigned Guarantor(s):

1. Acknowledge(s) the Borrower has applied for and requests that the Maximum Principal Sum of the Mortgage be increased;
2. Acknowledge(s) the Credit Union is prepared to increase the Maximum Principal Sum of the Mortgage on the understanding and condition that:
  - a. where the existing Guarantee is for a specific loan only or is a Guarantee and Postponement of Claim with the Limitation Provision completed, a new Guarantee will be executed in connection with the readvance, such Guarantee to apply and extend to the present balance owing and any readvance on the Mortgage; and
  - b. where the existing Guarantee is a Guarantee and Postponement of Claim and where the Limitation Provision has not been completed, the existing Guarantee applies and extends to the readvance;
3. Consent(s) to the readvance and the amendment to the Mortgage as set forth in this agreement.

DATED AT Calgary this 22 day of July, 2014

  
 \_\_\_\_\_  
 Guarantor

  
 \_\_\_\_\_  
 Guarantor

IN THE CASE OF A CORPORATE GUARANTEE THE SEAL IS TO BE AFFIXED

NAME	ADDRESS	POSTAL CODE
<u>Brian Ostrander</u>	<u>1010 Arbour Lake NW, Unit 2125, Calgary Alberta</u>	<u>T3G 4Y8</u>
<u>Judy Harwood</u>	<u>Box 1 Site 318 RR 3 LCD Main Saskatoon SK</u>	<u>S7K 3J6</u>
_____	_____	_____
_____	_____	_____




**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. Brian Ostrander of Calgary in the Province of Alberta ~~Saskatchewan~~,  
(Name of Guarantor) (City/Town)  
the Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT Calgary, this 10<sup>th</sup> day of July, 2014 under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE  
PROVINCE OF SASKATCHEWAN ALBERTA  
BEING A SOLICITOR

**STATEMENT OF GUARANTOR**

I am the person named in the certificate.

  
\_\_\_\_\_  
Brian Ostrander

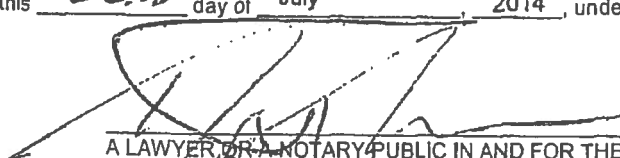
**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. Judy Harwood of Saskatoon in the Province of Saskatchewan,  
(Name of Guarantor) (City/Town)  
the Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT Saskatoon, SK, this 22<sup>nd</sup> day of July, 2014, under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE  
PROVINCE OF SASKATCHEWAN

**STATEMENT OF GUARANTOR**

I am the person named in the certificate.

  
\_\_\_\_\_  
Judy Harwood

SCHEDULE "A" TO AMENDMENT AGREEMENT - Mortgage

This schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 10<sup>th</sup> day of July, 2014.


NIL

**Affidavit Verifying Corporate Signing Authority**

I, **BRIAN OSTRANDER**, of City of Calgary, in the Province of Alberta, make oath and say:


1. I am an officer and a director of 1764239 ALBERTA LTD. named in the within instrument.
2. I am authorized by the Corporation to execute the instrument without affixing a corporate seal.

SWORN before me at Calgary, in the  
Province of Alberta, this 10<sup>th</sup> day  
of July, 2014.



A Commissioner for Oaths in and for  
the Province of Alberta.  
Being a Solicitor

)  
)  
)  
)  
)  
)

  
\_\_\_\_\_  
**BRIAN OSTRANDER**

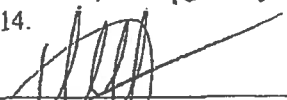
**AFFIDAVIT OF EXECUTION**

Canada )  
Province of Alberta )  
To Wit: )  
)

I, **DORIS REIMER**, of Calgary, in the Province of Alberta, make oath and say:

1. I was personally present and did see **BRIAN OSTRANDER**, named in the within instrument, who is personally known to me to be the person named therein, duly sign the instrument.
2. The instrument was signed at Calgary, in the Province of Alberta, and I am the subscribing witness thereto.
3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN before me at Calgary, in the )  
Province of Alberta, this 10 day )  
of July, 2014. )

  
\_\_\_\_\_ )

A Commissioner for Oaths in and for  
the Province of Alberta

**M. Meenu Ahluwalia**  
Barrister and Solicitor

  
\_\_\_\_\_  
**DORIS REIMER**

**AMENDMENT AGREEMENT – MORTGAGE**

\_\_\_\_\_  
 Innovation Credit Union  
 \_\_\_\_\_  
 PO Box 1090 Stn Main  
 (Address)  
 \_\_\_\_\_  
 Swift Current, SK S9H 3X3  
 ("the Credit Union")

TO: 1764239 Alberta Ltd \_\_\_\_\_ MORTGAGE  
 \_\_\_\_\_ LOAN NUMBER 830511046930  
 \_\_\_\_\_  
 \_\_\_\_\_  
 (the "Borrower(s)")

CO-COVENANTOR: \_\_\_\_\_ GUARANTOR:  
 \_\_\_\_\_ Brian Ostrander, Ostrander Family Holdings Ltd  
 \_\_\_\_\_ Judy Harwood

INSERT AMOUNT OF ORIGINAL MORTGAGE LOAN WHEREAS the Credit Union has lent the sum of \$ 4,179,000.00 to the Borrower evidenced and secured by:

COMPLETE MORTGAGE OR MORTGAGE & CHARGE UPON LANDS

- Mortgage from Borrower or Borrower and Guarantor dated October 31, 2013.
- Mortgage and Charge Upon Lands dated \_\_\_\_\_.
- OR
- Mortgage from Guarantor only dated \_\_\_\_\_, \_\_\_\_\_ (complete paragraph 23).

**AND**

WHERE MORTGAGE AND CHARGE UPON LANDS OR MORTGAGE FROM GUARANTOR ONLY IS CHECKED, ALSO COMPLETE TYPE OF LOAN DOCUMENT FROM BORROWER

- Promissory Note dated \_\_\_\_\_.
- Loan Agreement dated October 31, 2013.
- Revolving Line or Credit OR Cyclical (Quick Loan) Agreement dated \_\_\_\_\_.

The Mortgage or Mortgage and Charge Upon Lands covers the following lands:

INSERT LEGAL DESCRIPTION

Plan 832LK, Block 1, excepting thereout all mines and minerals  
 Area: 0.938 Hectares (2.32 Acres) more or less

(collectively the "said loan").

CHECK IF ALSO HOLD PPSA

and Personal Property Security Agreement dated September 6, 2013.

WHEREAS the balance outstanding on the said loan as at December 17, 2015 is the sum of \$ 4,588,417.41, including accrued interest, which is hereby acknowledged.

WHEREAS the Borrower has applied to have the terms of the said loan amended and the Credit Union has agreed to amend the terms of the said loan on and subject to the following terms and conditions:

NOW THEREFORE, in consideration of the Credit Union agreeing to amend the terms of the said loan, the Borrower acknowledges, covenants and agrees as follows:

1. INTEREST - Complete either (a) or (b) if rate changes from original loan rate

To pay interest on the said loan, calculated \_\_\_\_\_ not in advance from and after the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, as well after as before maturity, default or judgment, as follows:

FOR TERM MORTGAGES:

COMPLETE ONE OF (i) or (ii)

- (a) (i) Fixed Rate: at the rate of \_\_\_\_\_% per annum, or  
(ii) Floating Rate: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_% per annum.

FOR MORTGAGES SECURING REVOLVING OR CYCLICAL CREDIT:

On all amounts advanced up to the authorized limit:

COMPLETE ONE OF (i), (ii) or (iii)

- (b) (i) Fixed Rate: at the rate of \_\_\_\_\_% per annum; or  
(ii) Floating Rate: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_% per annum; or  
(iii) Floating Rate with Minimum: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_% per annum provided such rate of interest shall not be less than \_\_\_\_\_% per annum at any time.

At the date of making this agreement the Prime Rate of Interest of the Credit Union is \_\_\_\_\_% per annum.

2. REPAYMENT- Complete one of (a) to (g) if terms of repayment are to change.

To pay the said loan, together with interest thereon, as follows:

DEMAND (INSTALLMENTS UNTIL PAYMENTS IN FULL)

- (a) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by \_\_\_\_\_ Instalments of \$ \_\_\_\_\_ each, (frequency) the first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like payment every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid.

INSTALLMENTS UNTIL PAYMENTS IN FULL

- (b) By \_\_\_\_\_ Instalments of \$ \_\_\_\_\_ each, the (frequency) first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid.

DEMAND (INSTALLMENTS UNTIL FIXED DATE)

- (c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by \_\_\_\_\_ 24 (No. of Instalments) instalments of \$ 29,175.00 each, the first payment to be made on \_\_\_\_\_ January 15, \_\_\_\_\_ 2016, \_\_\_\_\_ and a like amount every \_\_\_\_\_ month thereafter until \_\_\_\_\_ December 15, \_\_\_\_\_ 2017, at which time the total amount owing (inclusive of principal and interest) shall be paid.

INSTALLMENTS UNTIL FIXED DATE

- (d) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the (No. of Instalments) first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

PRINCIPAL PLUS INTEREST

- (e) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ on account of the (frequency) principal, plus accrued interest to date of payment of each instalment, the first payment to be due and paid on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND  
(INTEREST  
INSTALMENTS  
ONLY UNTIL  
FIXED DATE)

- (f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid \_\_\_\_\_, the first instalment of interest to be made on \_\_\_\_\_,  
(frequency) \_\_\_\_\_, and thereafter every \_\_\_\_\_, such payments to continue until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

- (g) OTHER

IF OTHER  
PAYMENT  
STATE HERE  
(E.G. ON  
DEMAND, OR  
LUMP SUM AT  
MATURITY)

For loans repayable with interest on the floating rate basis (prime plus), the installment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating instalments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

### 3. OVERDRAFT RATE

(In the event the said loan is a Revolving Line of Credit the following clause applies)

If, for any reason, advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to overdrafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Borrower. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.

### 4. COMPOUND INTEREST ON DEFAULT

On default of payment of any sum to become due for interest at any time appointed for payment compounded interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid compounded monthly.

### 5. NOMINAL RATE

The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.

### 6. ADVANCES AND DEPOSITS

All sums advanced the Borrower on a revolving or cyclical credit agreement shall be debited to the account and interest shall be charged thereon on the day of any such advance. All sums paid by the Borrower in payment of any advances or deposited in the Borrower's account shall be credited on the date of receipt of funds. All deposits to the account are a payment on the revolving or cyclical credit agreement and for the purpose of *The Personal Property Security Act* constitute a debtor initiated payment. If any cheques deposited to the account is subsequently dishonoured for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan. All such payments and deposits shall be applied and credited firstly on interest owing at the time of payment and the balance on principal.

### 7. SECURITY HELD AS CONTINUING SECURITY

The security hereby granted by the Borrower together with any substituted security that may be granted by the Borrower to the Credit Union in the future shall be held by the Credit Union as a continuing security for the payment and satisfaction of all debts and liabilities which are now or at any time here after due, owing or incurred by the Borrower under this agreement and notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again. The Borrower agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

**8. PERFORMANCE OF TERMS**

To observe and perform and fulfill all of the terms, covenants, conditions, provisos, and agreements contained in the said loan, and in any agreement provided as security for the said loan, or to secure repayment of the said loan.

**9. NO MERGER**

Nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the security for the said loan, and its enforceability or alter, affect or prejudice the rights and priorities of the Credit Union, all of which rights are hereby reserved as against:

- (a) any surety or co-covenantor or guarantor of the payment of the said loan or any part thereof;
- (b) any subsequent encumbrance or other person having any interest in or claim upon any property mortgaged, pledge or assigned to the Credit Union;
- (c) the rights or any surety, co-covenantor, guarantor, subsequent encumbrancer or other person as against any collateral or additional security which the Credit Union may now or hereafter hold in respect of the said loan or any part thereof.

**10. AGREEMENT READ WITH SECURITY**

This agreement shall from the date hereof and without prejudice to the present state of the loan amount, be read and construed with the security therefore, and be treated as part thereof and for such purpose the said security agreements shall be regarded as hereby amended and the said loan and collateral security together with all terms, covenants and provisos thereof as so amended, as well as the Land Titles and Personal Property Security registrations pertaining to the said loan, shall be and continue to be in full force, virtue and effect and secure the amount remaining owing on the said loan. This agreement is intended to operate as an amendment agreement only, and not as a new loan or a novation to the said loan or any collateral security.

**11. SECTION 10 OF THE INTEREST ACT**

Where the amendment extends the term of the said loan, for the purposes of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

**12. DEFAULT**

Any default under this agreement shall be deemed to be a default under the said loan and collateral security and that upon such default the whole of this principal sum and all other monies payable under the terms of the said loan shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the said loan and collateral security.

**13. NO INCREASE TO LOAN OR LINE OF CREDIT LIMIT**

- (a) In the case of amendment to a term loan, it is acknowledged and agreed that no new money in addition to the money advanced under the said loan has been or will be advanced by the Credit Union to the Borrower as a result of the execution of this agreement.
- (b) In the case of amendments to a Revolving or Cyclical Credit, it is acknowledged that there is no increase to the authorized limit as a result of execution of this agreement, and the advances made hereafter in addition to the previous advances shall bear interest at the rate specified in Paragraph 1 hereof.

**14. EXECUTION OF ADDITIONAL DOCUMENTS**

The Borrower agrees to execute such further or other documents as may be required by the Credit Union to amend the said loan or any of the collateral security taken, with respect to the amount owing on the said loan.

**15. PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

**16. OBLIGATIONS, JOINT AND SEVERAL**

This agreement shall enure to the benefit of and be binding upon the parties herein, and their heirs, executors, administrators, successors and assigns, and all obligations and covenants shall be construed as both joint and several and shall enure to the benefit of the Credit Union, and its successors and assigns.

**17. PREAMBLE**

The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.

**18. ACKNOWLEDGEMENT AND WAIVER**

The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any financing or verification statement or other registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.



**19. SECURING REVOLVING OR CYCLICAL CREDIT AGREEMENT**

Where the security secures a Revolving Line of Credit or Cyclical (Quick Loan) Credit Agreements, the Borrower acknowledges and agrees: (a) that the security shall be a continuing security for the payment of all amounts advanced including interest, costs, charges and expenses which may become due and payable under the terms of the security notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again; and (b) for the purposes of priority of advances as provided under *The Land Titles Act 2000*, the Mortgage, as amended, is and shall be considered a Mortgage that provides for readvances of credit up to a specific principal sum.

**20. COLLECTION AND USE OF INFORMATION**

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (a) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (b) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (c) administer, monitor and service the Borrower's account and collect the Borrower's loan;
- (d) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (e) comply with legal, security and regulatory requirements;
- (f) assist in dispute resolution;
- (g) understand the Borrower's needs and eligibility for products or services;
- (h) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers;

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provision of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose Information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such Information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such Information and the Borrower specifically directs and authorizes such entities to provide Information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use Information at any time in connection with the Borrower's loans, including enforcement purposes. The Credit Union may share and exchange Information with any guarantor of the loan. The Credit Union may use this Information for so long as it is needed for the purposes described. The Borrower understands that the Borrower can ask the Credit Union and its affiliates or service suppliers to stop using the Information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's Information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's Information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, Information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the Information through the laws of Canada and the United States.

**21. PRIVACY**

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

**22. AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the Co-covenantor's liability is joint and several with the Borrower.

**23. IF MORTGAGE FROM GUARANTOR ONLY**

CHECK APPLICABLE BOX

- The repayment terms and interest rate in the Mortgage from the Guarantor are also amended as stipulated.
- Only the repayment terms and interest rate in the credit agreement with the Borrower are amended. The repayment terms and interest rate in the Mortgage from the Guarantor are not amended.

**24. APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

**25. ADDITIONAL AMENDMENT TO LOAN OR SECURITY**

IF LOAN TO BE AMENDED FOR REASONS OTHER THAN INTEREST OR PAYMENTS, INCLUDE AMENDMENTS ON SCHEDULE 'A'

That the said loan and security be further amended as provided on Schedule "A" hereto.

IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 21st day of December, 2015.

**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

WITNESS

SIGNATURE OF BORROWER(S)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AFFIX CORPORATE SEAL HERE



IF BORROWER IS A CORPORATION

1764239 Alberta Ltd  
Print Exact Name of Corporation

C. S. By: [Signature]  
(Officer of Corporation)

C. S. By: \_\_\_\_\_  
(Officer of Corporation)

NAME	ADDRESS	POSTAL CODE
<u>1764239 Alberta Ltd</u>	<u>340-600 Crowfoot Cres NW Calgary, AB</u>	<u>T3G 0B4</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this agreement this \_\_\_\_\_ day of \_\_\_\_\_.

WITNESSES

SIGNATURE OF CO-COVENANTOR

\_\_\_\_\_  
\_\_\_\_\_

NAME

ADDRESS

POSTAL CODE

\_\_\_\_\_  
\_\_\_\_\_

**GUARANTOR**

ACKNOWLEDGEMENT OF GUARANTOR(S)

The undersigned Guarantor(s):

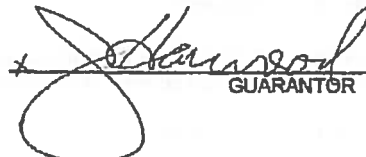
1. Acknowledge(s) the Borrower has applied to amend the terms of the said loan;
2. Agree(s) that the guarantee applies and extends to the said loan as amended;
3. Consent(s) to the amendment to the said loan as set forth in this agreement.

DATED AT \_\_\_\_\_, this 21st day of December, 2015.

x



GUARANTOR



GUARANTOR

IN THE CASE OF A CORPORATE GUARANTEE, THE SEAL IS TO BE AFFIXED

NAME

ADDRESS

POSTAL CODE

Brian Ostrander, Ostrander Family Holdings # 2125-1010 Arbour Lake Rd NW Calgary, AB T3G 4Y8

Judy Harwood RR 3 LCD Main Box 1 Site 318 Saskatoon S7K 3J6

**HOMESTEAD COMPLIANCE**

**CONSENT OF NON-OWNING SPOUSE**

I, \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, consent to the above disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the attached disposition in favour of the Credit Union to the extent necessary to give effect to the Amendment Agreement - Mortgage.

\_\_\_\_\_  
Signature of Non-owning Spouse

**CERTIFICATE OF ACKNOWLEDGEMENT (Required if non-owning spouse)**

I, \_\_\_\_\_, \_\_\_\_\_ (Indicate Capacity), certify that I have examined \_\_\_\_\_, non-owning spouse of \_\_\_\_\_ the owning spouse, in the above Amendment Agreement - Mortgage separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

- (a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
- (b) understand his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above Amendment Agreement - Mortgage and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

\_\_\_\_\_  
Signature

**HOMESTEAD AFFIDAVIT**

I, \_\_\_\_\_, of \_\_\_\_\_, make oath and say that:

- 1. I am the/a Borrower.
- 2. That my spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship. -OR-
- 2. That I have no spouse. -OR-
- 2. That my spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition. -OR-
- 2. That my spouse and I have entered into an interspousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his/her homestead rights in the land that is the subject matter of this disposition. -OR-
- 2. An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

Sworn before me at \_\_\_\_\_,)

in the Province of \_\_\_\_\_,)

this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,)

\_\_\_\_\_  
A COMMISSIONER FOR OATHS in and for the Province of Saskatchewan;

Being a Solicitor (or) \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**SCHEDULE "A" TO AMENDMENT AGREEMENT - MORTGAGE**

This Schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 21st day of December, 2015.

**PART A**

**(Complete if adding or changing paragraph to Mortgage)**

1. That the Mortgage document be amended by adding the following paragraphs: (Use additional schedule if more space required):

COMPLETE WHEN  
ADDING A  
PARAGRAPH OR  
PARAGRAPHS TO  
THE MORTGAGE

2. That the Mortgage document be amended by deleting the following paragraph(s):

COMPLETE WHERE A  
PARAGRAPH OR  
PARAGRAPHS  
OR MORTGAGE ARE  
TO BE DELETED  
AND REPLACED BY  
OTHERS

To be replaced by:

**PART B**  
**(Complete if adding land to the Mortgage)**

1. That the Mortgage document be amended by adding the following lands (the "additional land");

INSERT  
DESCRIPTION  
OF LAND TO  
BE ADDED TO  
THE  
MORTGAGE

2. The additional land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the Mortgage document and the Amendment Agreement herein, and the credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands and the additional land in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.

**PART C**  
**(Complete if land is to be deleted from Mortgage and replaced by other land)**

1. That the Mortgage document be amended by deleting the following lands:

INSERT  
DESCRIPTION OF  
LAND TO BE  
DELETED FROM  
THE MORTGAGE

To be replaced by the following specific land:

INSERT  
DESCRIPTION OF  
LAND TO BE  
INSERTED IN THE  
MORTGAGE

(The land herein to be referred to as the "substituted land" or "substituted security")

2. The substituted land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands not deleted or released or the substituted land in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
3. It is agreed that the Credit Union will release and discharge the land from the said loan only if and when the substituted security shall be registered, protected or perfected as the case may be subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

**PART D**  
**(Complete if adding or changing paragraph in the Security Agreement or adding security to Security Agreement)**

1. That the said loan or Security Agreement be amended by adding the following paragraphs:

COMPLETE WHEN  
ADDING A  
PARAGRAPH OR  
PARAGRAPHS TO  
THE LOAN OR  
SECURITY  
AGREEMENT

2. That the said loan or Security Agreement be amended by deleting the following paragraphs:

COMPLETE WHERE  
PARAGRAPH OR  
PARAGRAPHS OF  
THE LOAN OR  
SECURITY  
AGREEMENT ARE TO  
BE DELETED AND  
REPLACED BY  
OTHERS.

To be replaced by:

3. That the Security Agreement is to be amended by adding the following specific security, to which the security interest extends and attaches:

INSERT  
DESCRIPTION OF  
NEW SECURITY

**PART E**  
**(Complete if specific collateral to be exchanged in Security Agreement)**  
**eg. exchanging specific vehicles**

1. That the said Security Agreement be amended by deleting the following specific security (collateral):

INSERT  
DESCRIPTION  
OF  
COLLATERAL  
TO BE  
DELETED  
FROM  
SECURITY  
AGREEMENT

To be replaced by the following security, to which the security interest extends and attaches:

INSERT  
DESCRIPTION  
OF  
COLLATERAL  
TO BE ADDED  
TO THE  
SECURITY

together with all Proceeds including but not limited to: goods, chattel paper, investment property, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destructions of or dealing with the collateral.

(The collateral herein to be referred to as the "substituted security" or "substituted collateral".)

2. That the Security Agreement be further amended by adding the following paragraphs (clauses):
- (a) The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not deleted or released or in the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
  - (b) It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

**PART F**

**(Complete if Security to be substituted eg. Equipment for Accounts Receivable)**

1. The following security for the said loan shall be released and discharged:

INSERT  
DESCRIPTION  
OF SECURITY  
TO BE  
RELEASED

To be replaced by the following security to which the security interest extends and attaches:

INSERT  
DESCRIPTION  
OF SECURITY  
TO BE ADDED

together with Proceeds including but not limited to: goods chattel paper, investment property, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral, hereafter referred to as the "substituted security".

- 2. The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not released or the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
- 3. It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be executed and registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.
- 4. Nothing herein shall in any way affect or discharge the security not release herein or in any way release the Borrower from payment of the monies owing on the said loan.



**AMENDMENT AGREEMENT – MORTGAGE  
(FOR USE WHEN READVANCING ON MORTGAGE)**

\_\_\_\_\_  
Innovation Credit Union  
\_\_\_\_\_  
PO Box 1090 Stn Main  
(Address)  
\_\_\_\_\_  
Swift Current, SK S9H 3X3  
(the "Credit Union")

TO: 1764239 Alberta Ltd MORTGAGE LOAN NUMBER 830511046930

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(the "Borrower")

CO-COVENANTOR:

GUARANTOR:

\_\_\_\_\_  
\_\_\_\_\_

Brian Ostrander, Ostrander Family Holdings Ltd  
Judy Harwood

**WHEREAS:**

INSERT AMOUNT  
OF ORIGINAL  
MORTGAGE LOAN  
AND MORTGAGE  
DATE

1. The Borrower has executed a Mortgage in favour of the Credit Union for the principal sum of \$ 4,179,000.00 dated October 31, 2013, covering the following lands:

INSERT LEGAL  
DESCRIPTION

Plan 832LK, Block 1, excepting thereout all mines and minerals  
Area: 0.938 Hectares (2.32 Acres) more or less

INSERT BALANCE  
OWING, INCLUDING  
ACCRUED  
INTEREST

- (the "Mortgage")
2. The balance owing on the Mortgage as at May 20, 2016 is the sum of \$ 4,657,887.43, including accrued interest, which is hereby acknowledged;
3. The Borrower has requested a readvance in the sum of \$ 121,937.68 (the "readvance") on the Mortgage and the Credit Union has agreed to make such readvance subject to the following terms and conditions:

NOW THEREFORE, In consideration of the Credit Union agreeing to readvance sums under the Mortgage, the Borrower covenants and agrees as follows:

1. **ADVANCES**

The present balance owing, as well as the readvance, shall be treated and considered to be amounts advanced under the Mortgage and all such amounts shall be due and payable and bear interest as provided herein.

2. **CONTINUING CHARGE**

The Mortgage shall be a continuing security and charge for the payment of all amounts advanced under the Mortgage including the readvance and interest, costs, charges and expenses which may become due and payable under the terms of the Mortgage, notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

3. **INTEREST - Complete if rate changes from original Mortgage rate.**

To pay interest on the Mortgage calculated yearly not in advance from and after the      day of May, 2016, as well after as before maturity, default or judgment, as follows:

INSERT CALCULATION FREQUENCY (I.E. ANNUALLY OR SEMI-ANNUALLY)

- (i) at the rate of 4.33 % per annum, or
- (ii) at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus      % per annum.

COMPLETE ONE OF (i) OR (ii)

At the date of making this agreement the Prime Rate of Interest of the Credit Union is 2.70 % per annum.

CURRENT PRIME RATE

4. **REPAYMENT - Complete one of (a) to (g) if terms of repayment are to change.**

To pay the said Mortgage, together with interest thereon, as follows:

(a) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by      Instalments of \$      each, the first payment to be made on      (frequency)     , and a like amount every      (frequency) thereafter until the total amount owing (inclusive of principal and interest) has been paid.

DEMAND (INSTALLMENTS UNTIL PAYMENT IN FULL)

(b) By      Instalments of \$      each, the first payment to be made on      (frequency)     , and a like amount every      (frequency) thereafter until the total amount owing (inclusive of principal and interest) has been paid.

INSTALLMENTS UNTIL PAYMENT IN FULL

(c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by 19 instalments of \$ 30,221.00 each, the first payment to be made on June 15, 2016 and a like amount every month (frequency) thereafter until December 15, 2017, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND (INSTALLMENTS UNTIL FIXED DATE)

(d) By      Instalments of \$      each, the first payment to be made on      (No. of Instalments)     , and a like amount every      (frequency) thereafter until     , at which time the total amount owing (inclusive of principal and interest) shall be paid.

INSTALLMENTS UNTIL FIXED DATE

(e) By      instalments of \$      on account of the principal, plus accrued interest to date of payment of each instalment, the first payment to be due and paid on      (frequency)     , and a like amount every      (frequency) thereafter until     , at which time the total amount owing (inclusive of principal and interest) shall be paid.

PRINCIPAL PLUS INTEREST

(f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid      (frequency) the first instalment of interest to be made on     , and thereafter every     , such payments to continue until     , at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND (INTEREST INSTALLMENTS ONLY UNTIL FIXED DATE)

IF OTHER  
REPAYMENT  
STATE HERE  
(E.G.: ON  
DEMAND, OR  
LUMP SUM AT  
MATURITY)

(g) OTHER

Except as otherwise expressly agreed to by the Credit Union all payments or deposits shall be applied and credited firstly to interest and the balance to principal. For loans repayable with interest on the floating rate basis (prime plus), the instalment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating instalments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

5. **ORIGINAL SECURITY TO APPLY**

All terms and conditions set forth in the Mortgage and collateral security thereto, except as may be amended by this agreement, or any previous amendment agreement, shall continue in full force and effect and nothing herein contained is intended to or shall have the effect of discharging, merging, replacing or rendering unenforceable the Mortgage or any collateral security taken thereto, and the Mortgage shall be read and construed as though the above provisions had been inserted therein.

6. **SECTION 10 OF THE INTEREST ACT**

Where the amendment extends the term of the Mortgage, for the purposes of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

7. **DEFAULT**

Any default under this agreement shall be deemed to be a default under the said Mortgage and collateral security and that upon such default the whole of the principal sum and all other monies payable under the terms of the Mortgage shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the Mortgage and collateral security.

8. **AGREEMENT CONSTRUED WITH OTHER AGREEMENTS**

It is further agreed that this agreement shall, from the date hereof and without prejudice to the present state of the Mortgage amount, be read and construed with the Mortgage and any collateral security thereto, and be treated as part thereof, and for such purposes the Mortgage and collateral security shall be regarded as thereby amended and the said Mortgage and collateral security together with all covenants and provisos thereof as so amended, shall continue to be in full force, virtue and effect, and secure all advances under the Mortgage.

9. **NO MERGER OR DISCHARGE**

It is further agreed that nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the Mortgagee's right as against any surety, guarantor or co-covenantor for payment of the Mortgage loan or any part thereof, or as against any subsequent encumbrancer or other person having an interest in or claiming against the land, all of which rights are hereby reserved.

10. **PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

11. **HEADINGS**

The descriptive headings of this agreement are included for convenience only and do not form part of the covenants, provisos and agreements herein contained.

12. **AGREEMENT TO BIND HEIRS, ETC.**

This agreement shall enure to the benefit of and be binding upon each of the persons named herein, and each of their heirs, executors, administrators, successors and assigns, and shall be construed as both joint and several and shall enure to the benefit of the Credit Union, its successors and assigns.

13. **NOMINAL RATE**

The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.

14. **PREAMBLE**

The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.

15. **ACKNOWLEDGEMENT AND WAIVER**

The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any statement or registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.

16. **EXTENSION OR AMENDMENT AGREEMENT NEED NOT BE REGISTERED**

Any agreement for extension of the term of the Mortgage, or any agreement amending the provisions of the Mortgage including inter alia increasing or decreasing the rate of interest payable hereunder or in connection with any readvance on the Mortgage, prior to the execution of a discharge of this Mortgage by the Credit Union need not be registered in any Land Registry. If, upon the expiry of any term, the Credit Union offers to extend the term of this Mortgage and the Borrower fails to execute an extension agreement as required, the Credit Union may prescribe the terms of renewal or extension (which will include extending the term for a further period of one year and prescribing the rate of interest payable on the outstanding balance at the then prevailing Credit Union's one year open Mortgage rate) and such terms shall be deemed to apply and be in force and effect as against the Borrower as of the commencement date of the renewal or extended term. The Mortgage, as amended, and all terms, covenants, and provisions shall continue in full force and effect and nothing contained in any extension or amendment agreement shall have the effect of discharging, merging, replacing or rendering unenforceable this Mortgage as security unless the agreement so states.

17. **CORPORATE WAIVER**

And it is further agreed that the following paragraph applies only if the Borrower is a corporate body, in which case the Borrower also covenants and agrees with the Credit Union:

- (a) That *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this agreement;
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this agreement, or charge or other security for the payment of money made, given or created by this agreement or any agreement renewing or extending this agreement and shall in no way limit the rights, powers or remedies of the Credit Union granted herein.

18. **READVANCES**

In the event the Mortgage does not already specify then the following provision shall be added to the mortgage terms and the Mortgage shall be considered as hereby amended:

When not in default, the Borrower may request, and the Credit Union may, in its absolute and sole discretion, re-advance any principal portion of the within mortgage loan which has been repaid by the Borrower to the Credit Union, but only to the extent that the principal balance outstanding after such readvance shall not exceed the amount of the principal sum secured. The Borrower agrees that notwithstanding that the Mortgage may be reduced and readvances made, this Mortgage secures all sums ultimately due and owing by the Borrower to the Credit Union in respect of this Mortgage, including any readvancement of principal monies made by the Credit Union to the Borrower at any time. No change to the terms of repayment, the obligations of the Borrower, or the manner of payment or the amount of interest shall operate as a release or discharge of this Mortgage.

19. **COSTS**

The Borrower shall be responsible for all costs and expenses incurred by the Credit Union in connection with this amendment including, without limitation, legal fees as between solicitor and own client and registration fees if any. If the Borrower does not pay any such charges promptly upon demand, the Credit Union may charge such costs and expenses to the Mortgage and interest shall be payable thereon at the same rate as that payable on the principal sum.

20. **COLLECTION AND USE OF INFORMATION**

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (i) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (ii) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (iii) administer, monitor or service the Borrower's account and collect the Borrower's loan;
- (iv) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (v) comply with legal, security and regulatory requirements;
- (vi) assist in dispute resolution;
- (vii) understand the Borrower's needs and eligibility for products or services;
- (viii) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers.

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus or other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provisions of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and the Borrower specifically directs and authorizes such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with the Borrower's loan, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan. The Credit Union may use this information for so long as it is needed for the purpose described. The Borrower understands that the Borrower can ask the Credit Union to stop using the information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaging in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

21. **PRIVACY**

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

22. **AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the co-covenantor's liability is joint and several with the Borrower.

23. **APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

24. **OTHER AMENDMENTS**

That the Mortgage and collateral security be further amended as provided on Schedule "A" hereto.

IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 25 day of May, 2016

THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.

WITNESSES

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP  
Signature of Borrower(s)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AFFIX  
CORPORATE  
SEAL HERE



IF BORROWER IS A CORPORATION

1764239 Alberta Ltd  
Print Exact Name of Corporation  
C.S. By: [Signature]  
(Officer of Corporation)  
C.S. By: \_\_\_\_\_  
(Officer of Corporation)

NAME

ADDRESS

POSTAL CODE

NAME	ADDRESS	POSTAL CODE
<u>1764239 Alberta Ltd</u>	<u>815 East Lake Blvd NE Airdrie, AB</u>	<u>T4A 2G4</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this agreement this \_\_\_\_\_ day of \_\_\_\_\_.

**WITNESSES**

Signature of Co-Covenantor

NAME	ADDRESS	POSTAL CODE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**GUARANTOR**

**GUARANTOR(S) AGREEMENT**

The undersigned Guarantor(s):

1. Acknowledge(s) the Borrower has applied for and requests the readvance on the Mortgage;
2. Acknowledge(s) the Credit Union is prepared to make the readvance on the Mortgage on the understanding and condition that:
  - a. where the existing Guarantee is for a specific loan only a new Guarantee will be executed in connection with the readvance, such guarantee to apply and extend to the present balance owing and any readvance on the Mortgage; and
  - b. where the existing Guarantee is a Guarantee and Postponement of Claim that the existing Guarantee applies and extends to the readvance;
3. Consent(s) to the readvance and the amendment to the Mortgage as set forth in this agreement.

DATED AT Swift Current, this 25 day of May, 2016.

Guarantor

Guarantor

IN THE CASE OF A CORPORATE GUARANTEE THE SEAL IS TO BE AFFIXED

NAME	ADDRESS	POSTAL CODE
<u>Brian Ostrander, Ostrander Family Holdi</u>	<u>2125-1010 Arbour Lake Rd NW Calgary, AB</u>	<u>T3G 4Y8</u>
<u>Judy Harwood</u>	<u>RR 3 LCD Main Box 1 Site 318 Saskatoon</u>	<u>S7K 3J6</u>
_____	_____	_____
_____	_____	_____

**HOMESTEAD COMPLIANCE**

**CONSENT OF NON-OWNING SPOUSE**

I, \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, consent to the above disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the attached disposition in favour of the Credit Union to the extent necessary to give effect to the Amendment Agreement - Mortgage.

\_\_\_\_\_  
Signature of Non-Ownning Spouse

**CERTIFICATE OF ACKNOWLEDGEMENT  
(Required if non-owning spouse)**

I, \_\_\_\_\_, \_\_\_\_\_, certify that I have examined  
(Indicate Capacity)

\_\_\_\_\_, non-owning spouse of \_\_\_\_\_, the owning spouse, in the above Amendment Agreement - Mortgage separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

- a. signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
- b. understand his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above Amendment Agreement - Mortgage and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

\_\_\_\_\_  
Signature

**HOMESTEAD AFFIDAVIT**

I, \_\_\_\_\_, of \_\_\_\_\_, make oath and say that

- 1. I am the/a Borrower.
- 2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship.  
- or -
- 2. I have no spouse.  
- or -
- 2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.  
- or -
- 2. My spouse and I have entered into an interspousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.  
- or -
- 2. An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

SWORN before me at \_\_\_\_\_ in the Province )  
of \_\_\_\_\_ this \_\_\_\_\_ day of )  
\_\_\_\_\_, \_\_\_\_\_ )  
\_\_\_\_\_ )

A COMMISSIONER FOR OATHS in and for the Province of  
Saskatchewan; Being a Solicitor (or) \_\_\_\_\_  
My Commission expires: \_\_\_\_\_



**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ of \_\_\_\_\_ in the Province of Saskatchewan, the  
(Name of Guarantor) (City/Town)  
Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF  
SASKATCHEWAN

**STATEMENT OF GUARANTOR**

I am the person named in the certificate. \_\_\_\_\_

**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ of \_\_\_\_\_ in the Province of Saskatchewan, the  
(Name of Guarantor) (City/Town)  
Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF  
SASKATCHEWAN

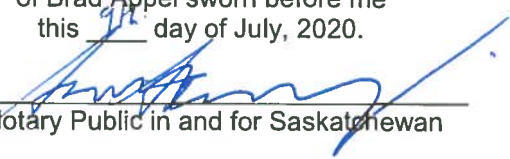
**STATEMENT OF GUARANTOR**

I am the person named in the certificate. \_\_\_\_\_

SCHEDULE "A" TO AMENDMENT AGREEMENT - Mortgage

This schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 25 day of  
May, 2016.

This is Exhibit 7 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024.

Mortgage

**MORTGAGE-TERM**

LRD

**1. MORTGAGOR(S) (Include Address)**

1764239 ALBERTA LTD.  
954 7 STREET SW  
MEDICINE HAT, ALBERTA  
T1A 7R7

**2. LAND (Legal Description)**

PLAN 832LK  
BLOCK 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

**3. MORTGAGEE (Including address and postal code for service)**

CONCENTRA FINANCIAL SERVICES ASSOCIATION  
333 3<sup>rd</sup> AVENUE NORTH  
SASKATOON SASKATCHEWAN S7K 2M2

**4. TERMS**

The following terms are incorporated herein:

- (a) Standard Form Mortgage Terms filed as number: 071476473
- (b) Terms attached hereto as schedule(s) "B" ADJUSTABLE RATE CONVENTION

--	--	--	--

In this mortgage, unless otherwise specified, "herein\*" means this mortgage, the terms contained in the aforesaid Standard Form Mortgage Terms and all schedules to the mortgage, if any.

**5. REPAYMENT PROVISIONS**

a) Principal Amount \$ 250,000.00	b) Interest Rate PRIME RATE PLUS 1.5 %	c) Interest Adjustment Date 31 / JANUARY / 20 15
d) Interest Calculation Period YEARLY	e) Payment Frequency MONTHLY	f) First Payment Date 28 / FEBRUARY / 20 15
g) Payment Amount \$	h) Last Payment Date / / 20	i) Balance Due Date / / 20

- j) Interest calculated semi-annually and not in advance if 5 (d) other than semi-annual

**6. MORTGAGOR'S COVENANTS AND EXECUTION**

- a) I (We) am (are) the registered owner(s) of the land being mortgaged.
- b) I (We) promise and covenant to pay the principal sum, interest and all other charges and money hereby secured and to be bound by all the terms herein.
- c) I (We) hereby mortgage and charge all my (our) estate, interest and title in the land for the purposes of securing all my (our) obligations herein including the payment of the principal sum, interest and all other amounts secured by the mortgage.

- d) This mortgage includes and is subject to the terms contained in the Standard Form Mortgage Terms filed with the Registrar under the instrument number recited herein.
- e) I (We) understand and acknowledge that this mortgage consists of the terms referred to herein as well as the terms recited in the Standard Form Mortgage Terms and schedule(s) (if any) referred to herein.
- f) I (We) hereby acknowledge receipt of a copy of this Mortgage and schedule(s) hereto (if any) and the Standard Form Mortgage Terms referred to herein.

**7. RELEASING THE ORIGINAL BORROWER**

For high ratio insured mortgages: This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my seal the 16 day of FEBRUARY, 2015.


SIGNED, SEALED AND DELIVERED  
by the above named  
as Mortgagor, in the presence of:



**Doris E. Reimer**

The Address of the Mortgagee is: **Barrister and Solicitor**

333 - 3RD AVENUE NORTH  
SASKATOON, SASKATCHEWAN  
S7K 2M2

  
1764239 ALBERTA LTD.  
BRIAN OSTRANDER, PRESIDENT

ENCUMBRANCES REFERRED TO:

EASEMENT NUMBER 031 099 497	MORTGAGE NUMBER 141 016 073	POSTPONEMENT NUMBER 141 255 201
MORTGAGE NUMBER 131 238 189	POSTPONEMENT NUMBER 141 026 166	
MORTGAGE NUMBER 141 016 072	CAVEAT NUMBER 141 213 233	

FORM 31.1

LAND TITLES ACT  
(Section 152.3)

AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY

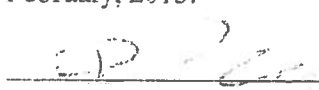
1. I, BRIAN OSTRANDER, of the City of Calgary, Make Oath and Say:

1. I am an officer or a director of 1764239 Alberta Ltd. named in the within or annexed instrument (or caveat).

2. I am authorized by the corporation to execute the instrument (or caveat) without affixing a corporate seal.

SWORN before me at the City )  
of Calgary, in the Province )  
of Alberta, this 16 day of )  
February, 2015. )

  
\_\_\_\_\_  
BRIAN OSTRANDER

  
\_\_\_\_\_  
A Commissioner for Oaths in  
And for the Province of Alberta  
Being a Solicitor

Doris E. Reimer  
Barrister and Solicitor

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, being married to the above named \_\_\_\_\_ do hereby give my consent to the disposition of our homestead, made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by *THE DOWER ACT*, to the extent necessary to give effect to the said disposition.

\_\_\_\_\_  
(Signature of Spouse)

**CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE**

1. This document was acknowledged before me by \_\_\_\_\_ apart from her husband (or his wife).
2. \_\_\_\_\_ acknowledged to me that she (or he):
  - (a) is aware of the nature of the disposition;
  - (b) is aware that *THE DOWER ACT* gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
  - (c) consents to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by *THE DOWER ACT* to the extent necessary to give effect to the said disposition;
  - (d) is executing the document freely and voluntarily without any compulsion on the part of her husband (or his wife).

Dated at \_\_\_\_\_, in the Province of Alberta this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Title of Officiating Officer)

**AFFIDAVIT**

CANADA	)	I, _____
	)	
PROVINCE OF ALBERTA	)	of the _____ of _____
	)	
TO WIT:	)	in the Province of Alberta,

**MAKE OATH AND SAY:**

1. That I am the mortgagor named in the within instrument;
2. That I am not married  
- or -  
That neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

Sworn before me at \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 in the Province of Alberta )  
 this \_\_\_\_\_ day of \_\_\_\_\_ )  
 \_\_\_\_\_ A.D. 20\_\_\_\_\_ )  
 \_\_\_\_\_ )

A COMMISSIONER FOR OATHS in and for the Province of Alberta.

**AFFIDAVIT OF ATTESTATION OF AN INSTRUMENT**

CANADA ) I, \_\_\_\_\_ DORIS REIMER \_\_\_\_\_  
          ) )  
PROVINCE OF ALBERTA ) )  
          ) )  
TO WIT: ) ) in the Province of Alberta,

**MAKE OATH AND SAY:**

1. That I was personally present and did see \_\_\_\_\_ BRIAN OSTRANDER, PRESIDENT \_\_\_\_\_ who is known to me to be the person named in the within (or annexed) instrument, duly sign the instrument;  
- or -  
That I was personally present and did see \_\_\_\_\_ who, on the basis of the identification provided to me, I believe to be the person named in the within (or annexed) instrument, duly sign the instrument;
2. The instrument was signed at \_\_\_\_\_ THE CITY \_\_\_\_\_ of \_\_\_\_\_ CALGARY, ALBERTA \_\_\_\_\_ and I am the subscribing witness thereto;
3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

Sworn before me at \_\_\_\_\_ )  
                  CALGARY )  
in the Province of Alberta )  
this 17 day of )  
          FEBRUARY A.D. 20 15 )  
\_\_\_\_\_  
*[Signature]* )

\_\_\_\_\_  
*[Signature]*  
DORIS REIMER

A COMMISSIONER FOR OATHS in and for the Province of Alberta.

Emma Lucy Lisson  
Commissioner for Oaths  
the Province of Alberta  
Commission Expires Mar. 24, 2016



**THE LAND TITLES ACT, 1980 R.S.A. AND AMENDMENTS THERETO**  
**SECTION 113.1(1)**  
**SET OF STANDARD MORTGAGE TERMS**  
**TERM MORTGAGE**  
**(Alberta)**

**FILED BY: CONCENTRA FINANCIAL SERVICES ASSOCIATION**  
**South Alberta (Calgary)**  
**North Alberta (Edmonton)**

**Filing No. 071476473**  
**Filing No. 072571522**

**Date Filed: September 24, 2007**  
**Date Filed: September 21, 2007**

The following set of Standard Form Mortgage Terms shall be deemed to be included in every mortgage in which the set of terms is referred to by its filing number as provided in section 113.2(2) of the *Land Titles Act*, R.S.A.; as amended.

**Definitions** In this set of Standard Mortgage Terms, the following words and expressions have the following meanings wherever they are used:

- (a) "**mortgage**" includes the Mortgage, this set of Standard Form Mortgage Terms and all schedules attached to the Mortgage and includes the Mortgage as amended from time to time;
- (b) "**mortgagor**" and "**I**" refer to each person who signs the Mortgage as Mortgagor and their heirs, executors, administrators, successors and assigns. Where more than one party signs the Mortgage, the liability shall be joint and several;
- (c) "**mortgagee**" refers to the Mortgagee named in the Mortgage and its successors and assigns;
- (d) "**principal**" means the principal amount set out in the Mortgage;
- (e) "**the said rate**", "**interest rate**" and the "**rate of interest**" means the interest rate set out in the Mortgage;
- (f) "**land(s)**" or "**the said lands**" or "**the mortgaged premises**" means the land described in the Mortgage and all buildings, improvements and other structures now or later on it.

**Promise to Pay** **IN CONSIDERATION OF THE PRINCIPAL** lent to the Mortgagor by the Mortgagee, the receipt whereof is hereby acknowledged by the Mortgagor, the Mortgagor hereby covenants and agrees with the Mortgagee as follows:

- 1. That I will pay to the Mortgagee in lawful money of Canada the principal with interest at the interest rate at an office in the Province of Alberta or elsewhere as designated by the Mortgagee from time to time as follows:
  - a. INTEREST at the interest rate on the amount(s) of the principal from time to time advanced, the time of advance being the time the money herein paid out to the Mortgagor or at his/her discretion (including the Solicitor drawing this mortgage), computed from the respective dates of such advances until the date for adjustment of interest, shall become due and be paid on that interest adjustment date.
  - b. THE PRINCIPAL with interest thereon or on so much thereof as shall from time to time remain unpaid, as well after as before maturity until paid and both before and after default, and both before and after judgement, computed from the interest adjustment date, calculated at the interest rate and computed half-yearly not in advance by equal monthly instalments of principal and interest to become due as set forth in the Mortgage such monthly instalments to be applied firstly on account of accrued interest as hereinbefore provided and secondly in reduction of the principal balance remaining unpaid.

**Overdue Interest**

- 2. That the mortgagor will pay to the mortgagee interest as aforesaid and in the manner aforesaid on the principal, or so much thereof as shall from time to time remain unpaid, at the rate aforesaid, calculated and computed as aforesaid. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon as aforesaid) as principal and shall bear compound interest at the said rate as well after as before maturity of this mortgage, and all

such interest and compound interest shall be a charge on the said lands. If any of the monies hereby secured be not paid when due, the mortgagor will, so long as any part thereof remains unpaid, pay interest thereon as above provided from day to day.

**Payment of Taxes**

3. That, subject as hereinafter in this paragraph provided, the mortgagor will pay when and as the same fall due all taxes rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises or on this mortgage or on the mortgagee in respect of this mortgage; provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the mortgaged premises, at the option of the mortgagee, the following will apply:
  - a. The mortgagee may deduct from the final advance of the monies secured by this mortgage an amount sufficient to pay the taxes which have become due and are unpaid at the date of such final advance.
  - b. The mortgagor agrees to pay to the mortgagee in monthly instalments, at the same time and dates hereinbefore fixed for payment of principal and interest one-twelfth (1/12) of the amount as estimated by the mortgagee, of the taxes next becoming due and payable, including any other levy; and the mortgagor shall also pay to the mortgagee on demand, the amount, if any, by which the actual taxes exceed such estimated amount.
  - c. The mortgagor shall forthwith, upon receipt, deliver to the mortgagee, any and all assessment notices, tax notices or other notices affecting imposition of taxes with respect to the subject property. The mortgagor agrees that should failure to forward such notices to the mortgagee result in penalty of any nature whatsoever, the mortgagor shall be responsible for payment of such penalty.
  - d. It is agreed that the mortgagee shall be entitled to charge to the mortgagor all reasonable costs, charges and expenses which may be incurred in connection with the collection and payment of the taxes and any other levy aforesaid, which is to become part of the principal hereby secured and be a charge on the said lands in favour of the mortgagee and shall at the option of the mortgagee be payable by the mortgagor on demand.
  - e. The mortgagee shall allow the mortgagor credit for interest at the rate established by the mortgagee from time to time on the minimum monthly balances standing in the tax account from time to time, such interest to be credited to the mortgage account not less frequently than once each year; and the mortgagor shall be charged interest, at the mortgage rate, on the debit balance, if any, in the mortgagor's tax account outstanding after payment of taxes by the mortgagee, until such debit balance is fully paid.
  - f. The mortgagee agrees to apply such deduction and payment on the taxes chargeable against the said lands so long as the mortgagor is not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the mortgagee to apply such payment on account of taxes oftener than yearly. Provided, however, that if before any sum or sums so paid to the mortgagee shall have been so applied, there shall be default by the mortgagor in respect of any payment of principal or interest as herein provided, the mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default.

**Fixtures**

4. That any and all erections, buildings plants and improvements, fixed or otherwise, now or hereafter put upon the said lands, including but not limiting the generality of the foregoing all fences, machinery, heating, plumbing, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, elevators and all other apparatus and equipment, appurtenant thereto are and shall, in addition to other fixtures thereto become fixtures and form part of the said lands and of the security and shall together with the said lands be included in the expression "The said premises".

**Insurance Requirements**

5. That the mortgagor will forthwith insure the said premises and during the continuance of this security keep the said premises insured to the extent of their full insurable value in lawful money of Canada with a company or companies approved by the mortgagee against loss or damage by fire, plate glass breakage, boiler explosion and other casualty, such policies of insurance to contain the usual "Extended Coverage and Replacement Costs Endorsements"; and, if required by the mortgagee, will also insure against loss or damage from any cause

whatsoever, and that the mortgagor will not do or permit anything to be done whereby the said policy or policies may be vitiated, and will pay all premiums and sums of money necessary for such purpose, as the same become due, and will assign and deliver unto the mortgagee the policy or policies of insurance and the receipt or receipts relating thereto. Evidence of the renewal of such insurance shall be produced to the mortgagee at least ten (10) days before the insurance then existing shall expire, failing which the mortgagee may insure as hereinafter provided.

**Obligation to Repair**

6. That all monies received by virtue of any policy or policies of insurance may at the option of the mortgagee:
  - a. Be forthwith applied on or towards substantially rebuilding, reinstating and repairing the said premises; or
  - b. Be applied in or towards the payment of the last instalment of principal sum falling due under and by virtue of this mortgage, and in case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid and in case of a surplus then in or towards payment of any interest that may be accrued due; or
  - c. Be paid over in whole or in part to the mortgagor but no such payment shall operate as payment or novation of the mortgagor's indebtedness hereunder or as a reduction of this mortgage; or
  - d. Be applied partly in one way and partly in another as the mortgagee may determine.

**Insurance Against Particular Risks**

7. That it will during the continuance of this security maintain public liability and property damage insurance against claims for personal injury, death or property damage occurring on or about the said premises, such insurance to afford protection in such amounts as the mortgagee may from time to time reasonably require and also maintain in force rental or business interruption insurance in an amount sufficient to cover the instalments of principal, interest and taxes payable under this mortgage or eighteen (18) consecutive months.

**Mortgagor's Covenants**

8. And the mortgagor hereby covenants with the mortgagee that the mortgagor
  - a. Has a good title to the said land;
  - b. Has a right to mortgage the said land;
  - c. And that on default the mortgagee shall have quiet possession of the said land, free from all encumbrances;
  - d. Will execute such further assurances of the said land as may be requisite;
  - e. Had done no act to encumber the said land.

**Condition & Repair of Lands**

9. During the continuance of this mortgage the mortgagor will not permit, suffer or allow any act of waste upon the said lands, and will, well and sufficiently repair, maintain, and keep the said premises in good and substantial repair.

**Financial Statements**

10. That the mortgagor will within One Hundred and Twenty (120) days following the end of each of its fiscal periods furnish to the mortgagee a detailed report of that mortgagor's independent auditors accompanied by a detailed balance sheet, profit and loss statement and all supporting schedules together with particulars in income, operating costs and expenses and current rent roll, in each case with respect to the operation of the improvements upon the said lands.

**Inspection of Books**

11. That the mortgagor will permit the mortgagee, either by its officers or authorized agents, to enter upon the said lands or such other premises in which the books of account may be maintained during business hours and inspect the books of the mortgagor, make extracts therefrom and generally conduct such examination of the books of account as the mortgagee may deem fit with respect to the said lands.

**Events of Default**

12. That the whole of the unpaid principal sum hereby secured together with any interest payable as herein provided shall, at the option of the mortgagee, become due and payable in like manner and to all intents and purposes as if the time herein mentioned for payment had fully come and expired in every of the events following:
  - a. Should the mortgagor fail to pay any instalment of interest or principal and interest on their due date;
  - b. Failure by the mortgagor to observe or perform any other covenants, conditions, stipulations or provisos contained in this mortgage;
  - c. Should any prior mortgagee refuse to advance the whole of the principal sum intended to be secured under the prior mortgage;
  - d. Failure by the mortgagor to observe or perform any of the covenants, conditions, stipulations or provisos contained in any other security taken as additional security for the repayment of the said principal sum and interest;
  - e. Should the mortgagor sell or agree to sell the said lands or any part thereof of any part of the said premises without the consent in writing of the mortgagee first had and obtained;
  - f. Should the mortgagor or any guarantor or Indemnitor of the principal sum hereby secured 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 bankruptcy of insolvent debtors or go into liquidation, either voluntarily or under an order of a court of competent jurisdiction;
  - g. Should the mortgagor or any guarantor or indemnitor of the principal sum hereby secured allow a creditor to enter judgement against them or any of them by reason of their financial inability to pay a debt or debts;
  - h. Failure by the mortgagor to observe or perform any of the terms, conditions, provisos, covenants, stipulations, undertakings or obligations set forth in any loan agreement made between the mortgagee and the mortgagor;
  - i. Should any representation or warranty made by the mortgagor in the loan agreement hereinbefore referred to be untrue;
  - j. Should the mortgagor fail to pay any instalments due on taxes on due dates.

**Mortgagee's Powers & Rights**

13. That after the happening of an event of default as hereinbefore defined, upon the happening of which the security hereby constituted become enforceable, the mortgagee shall have the following rights, powers, licenses and authorities and the mortgagor hereby grants to the mortgagee the full power, right license and authority to:
  - a. Take action forthwith for a declaration as to the amount owing under this mortgage and judgement for the full amount declared due and owing;
  - b. Take action forthwith and obtain a declaration as to the amount owing under this mortgage and in default of payment of the same by the mortgagor, an Order Confirming Sale, debarring and foreclosing all the mortgagor's right, title and equity of redemption in and to the said lands, and vesting the said lands in the mortgagee free and clear of all encumbrances;

- c. Insure the said premises or any part thereof to the full insurable value or such lesser value as shall, in the sole discretion of the mortgagee, be sufficient to protect its security;
- d. Pay any taxes, rates, liens, charges, mortgages, encumbrances, unpaid purchase monies, or claims which are now or may hereafter be levied, charged or filed against the said lands; the propriety of paying out any such sum or sums to be a matter upon which the decision of the mortgagee shall be absolute and final;
- e. Make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, addition to, or putting in order the said premises including without restricting the generality of the foregoing, to complete the construction of any building or buildings or other erections or improvements on the said lands left by any mortgagor in an unfinished state, or award the same to others to complete, and in either of such cases, shall have the right to take possession of and use or permit others to use all or any part of mortgagor's materials, supplies, plant, tools, equipment, (including appliances on the said lands) and property of every kind and description, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth;
- f. Enter into and upon the said lands, or any part thereof, and terminate any tenancy hereby created without giving any notice to quit to the mortgagor, and to receive and take the earnings, revenues, rents, issues and profits thereof, and whether in or out of possession thereof make any lease of the same or any part thereof as the mortgagee sees fit, but it is agreed that neither the existence of this clause nor anything done by virtue hereof shall constitute the mortgagee to be a mortgagee in possession and accountable as such or for any monies except those actually received, whether from a tenant or otherwise;
- g. Serve notice upon any tenant or tenants of the said lands or any part thereof to pay all rents due or thereafter become due to the mortgagee, and the mortgagee shall not by reason of such collection of rent be deemed to be a mortgagee in possession or held accountable as such for any monies, except those actually received and collected;
- h. Seize and distrain upon the said lands or any part thereof and by distress warrant recover by rent-reserved as in the case of a demise of the said lands;
- i. Sell and convey the said lands or any part thereof on such terms or credit or part cash and part credit or otherwise as shall appear to be most advantageous and for such prices as can reasonably be obtained therefor, and in the event of a sale for credit, or for part cash and part credit the mortgagee is not be accountable or charged with any monies until actually recovered, and it is agreed that sales may be made from time to time of any part or parts of the said lands to satisfy interest or any portion thereof to run with interest payable as aforesaid and the mortgagee may make any stipulations as to title or otherwise as it shall deem proper and may buy in or rescind or vary any contract for the sale of any part of the said lands and may sell without being answerable for loss occasioned thereby and for any of such purposes may execute all agreements and assurances it shall think fit;
- j. Send or employ an inspector or agent to inspect and report upon the value, state and condition of the said lands, and a solicitor to examine and report upon the title of the same;
- k. Appoint a receiver of the income of the said lands, or any part thereof and delegate to such receiver or any agent any powers of the mortgagee hereunder and any receiver so appointed shall be an agent of the mortgagor;
- l. Exercise its rights or remedies herein reserved successively or concurrently with the exercising by it of the rights and remedies reserved to it in any other security now or hereafter taken to secure the said principal and interest.

and the amounts so paid or indebtedness incurred as aforesaid by the mortgagee together with any and all other costs, charges and expenses which may be incurred in the taking, recovering, keeping possession, or disposing of the said lands, or which may be incurred in any other proceedings taken to protect the security of this mortgage or realize the monies hereby

secured, or to perfect the title to the said lands, or to realize on any security collateral hereto, including without restricting the generality of the foregoing all legal costs including the mortgagee's solicitor and client costs, and an allowance for the time, work and expenses of the mortgagee, or of any agent, solicitor or employee of the mortgagee whether such charges, cost and expenses are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the mortgagor or otherwise shall become part of the principal hereby secured and bear interest accordingly at the stipulated rate until paid and all such sums together with interest shall be a charge on the said lands in favour of the mortgagee and shall be payable forthwith by the mortgagor, and in the event of any monies being advanced as aforesaid and 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 person or persons so paid off, whether any such lien, charge, mortgage or encumbrance has or has been discharged; AND FROM AND OUT of the proceeds realized from such use or sale of the said lands, or any part thereof, firstly to apply the same in or towards payment of the monies hereby secured in such manner as the mortgagee may think fit; and secondly, to pay to the mortgagor such surplus, if any as shall remain; PROVIDED, and the mortgagor hereby covenants with the mortgagee that in case the monies realized from such use or sale be not sufficient to reimburse the mortgagee and repay the monies secured hereby, the mortgagor agrees forthwith to pay to the mortgagee such monies as may then be remaining due, together with interest thereon at the rate aforesaid.

**Performance of Covenants**

14. That the mortgagor shall not be entitled to a discharge of this mortgage until and unless the mortgagor shall have kept and performed all covenants, provisos, agreements and stipulations herein contained whether the mortgagee has taken legal proceedings thereon and recovered judgement or otherwise, and the mortgagor shall and will in everything do, perform and keep all of the provisions and covenants in these presents contained according to the true intent and tenor thereof.

**Non-Merger**

15. That the taking of a judgement or judgements under any of the covenants herein contained shall not operate as a merger of any covenant herein or affect the mortgagee's right to interest at the above rate on any monies due or owing to the mortgagee during the continuance of this security under the covenants herein contained on or any judgement to be recovered thereon.

**Partial Release**

16. That the mortgagee may release any part of the said lands at any time at its discretion either with or without any consideration thereof, without responsibility therefor, and without thereby releasing any other part of the said lands or any collateral security or any person from this mortgage or any surety from any of the covenants herein contained or contained in any collateral security.

**Assignment of Rents**

17. That in the event that the said lands or any part thereof are now leased or may at any time during the currency of this mortgage be leased by the mortgagor, all rentals now or hereafter payable to the mortgagor under any such lease are hereby assigned to the mortgagee as additional security for payment of the monies from time to time secured under this mortgage; PROVIDED that the mortgagee shall not make use of this assignment or give notice thereof to any lessee of the said lands or any part thereof unless and until the mortgagor shall have made default in payment of principal or interest or other monies becoming due or secured under this mortgage or in default of the observance or performance of any of the covenants, conditions, stipulations or provisos herein contained.

**Demolition of Building**

18. That the mortgagor will not remove or demolish the buildings now or hereafter erected upon the said lands, nor alter the design or structural character of any building now or hereafter erected upon the said lands or permit them to be used for a purpose other than that disclosed to the mortgagee when applying for this loan, unless the mortgagee shall first consent thereto in writing; and they will comply with all laws, ordinances regulations, covenants, conditions and restrictions affecting the said premises and will not suffer or permit any violation thereof.

**Other Security**

19. That the foreclosure or cancellation of, or any other dealing with, any other security for the monies advanced hereunder or secured hereby, shall not release or affect this mortgage, and that the taking of this mortgage, or the foreclosure or cancellation of or any other dealing with, or proceedings under this mortgage shall not release or affect any other security held by the mortgagee for the monies advanced hereunder or secured hereby.

**Discharge**

20. And it is agreed that the mortgagee shall have a reasonable time after payment in full of the monies due and owing by the mortgagor hereunder within which to deliver a discharge of this mortgage to the mortgagor.

**No Obligation to Advance**

21. That neither the execution nor the registration of this mortgage, nor the advance in part of the monies secured shall bind the mortgagee to advance the said monies or any of the unadvanced portion thereof, but nevertheless the lien and charge hereby created shall take effect forthwith on the execution of this mortgage, and the expenses of the mortgagee in negotiating the within loan, including the examination of financial statement of the Mortgagor, of any indemnitor and of any guarantor, the inspection and evaluation of the said lands or any other collateral security, the making of the loan commitment, survey costs, legal costs, including solicitor and client costs, of, and incidental to taking, drawing and registering this mortgage and any and all other documents and securities in connection herewith and the examination of title to the said lands and other security and the maintenance of the mortgagee's charge thereon, shall be added to and become part of the principal hereby secured and shall be a charge on the said lands, and shall without demand thereof, be payable forthwith with interest at the rate provided for in this mortgage, and in default, the mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

**Renewal**

22. In the event that the mortgagee shall agree to renew or extend the term of this mortgage, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon the mortgagor, its successors in title and assigns, and all subsequent mortgages, encumbrances and other interests in or of the mortgaged premises (subsequent to this mortgage and together hereinafter called "Subsequent Encumbrances"), and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal or extension is filed or recorded by caveat at the applicable Land Titles office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this mortgage. The mortgagor shall, forthwith on request therefor by the mortgagee, provide to the mortgagee, at the mortgagor's expense, all such postponements and other assurances as the mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the mortgagor's expense (including without limitation payment of mortgagee's legal expenses on a solicitor-and-his-own-client basis). No such renewal or extension, even if made by a successor in title to the mortgagor named herein and whether or not the mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this mortgage as renewed or extended.

**More Than One Mortgagor**

23. That in the interpretation of this mortgage, the word "mortgagor" and all words depending thereon or relating thereto shall be read and construed as in the plural instead of the singular number, if there is more than one mortgagor named, and in such case all covenants herein contained shall be deemed to bind the mortgagor severally as well as jointly and that whenever the singular or the masculine pronoun is used throughout this mortgage the same shall be construed as meaning the plural or the feminine (or neuter in the case of a company) where the context or the parties hereto so require.

**Severability**

24. That in the event any one or more of the provisions contained in this mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the mortgagee be severable from and not affect any other provision of this mortgage, whereupon this mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

**Waiver**

25. That a waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the obligation secured by this mortgage shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms covenants, conditions and other provisions of this mortgage and of the obligations secured thereby shall survive and continue to remain in full force and effect.

- Attorn Rents** 26. That for the purpose of better securing the punctual payment of the principal and interest, the mortgagor hereby attorns and becomes tenant to the mortgagee of the said lands at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of principal, the legal relationship of landlord and tenant being thereby constituted between the mortgagee and the mortgagor to the extent permitted by the laws of the Province of Alberta.
- Prepaid Rent** 27. That the mortgagor will not accept any prepaid rent from any lessee or proposed lessee so long as the principal sum or any interest thereon remains unpaid but this covenant shall not apply to a deposit to be applied against the first month's rent or any monies to apply on not more than the last three month's rental of any such lease or proposed lease.
- Default Under Additional Security** 28. That if the mortgagor or any guarantor makes default under any other security now or hereafter granted by the mortgagor or any guarantor to the mortgagee as additional security for the due performance of the mortgagor's covenants hereunder, the same shall constitute default under this mortgage, and the mortgagee shall be at liberty to exercise its rights under this mortgage and under any one or more of the other securities, either successively or concurrently, to the same extent as if the time for payment of the principal sum hereby secured had fully come and expired.
- Due on Demand** 29. If the mortgagor makes default in the performance in any of the covenants or conditions contained in any prior mortgage or encumbrance secured upon the said lands then, the entire unpaid balance hereby secured together with interest shall at the option of the mortgagee become forthwith due and payable without notice or demand. The mortgagee shall be at liberty in case of such default to pay any arrears or other sums payable under the said mortgage or encumbrance or pay off all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the mortgagee shall:
- a. Be added to the amount hereby secured,
  - b. Bear interest at the stipulated rate until paid, be a charge upon the said lands, and
  - c. Unless repaid to the mortgagee upon demand shall be recoverable from the mortgagor in the same manner as if such sum had been originally secured hereby.
- Mode of Payments** 30. If required by the mortgagee:
- a. The mortgagor will make the aforesaid instalments together with such monies as may be required by the mortgagee for the payment of taxes by cheque and the mortgagor will deliver to the mortgagee at its head office aforesaid on or before the date on which the first instalment becomes payable herein, cheques post-dated on the dates the next instalments become due, for such portion of the calendar year as is required by the mortgagee and the mortgagor will deliver to the mortgagee from time to time as required by the mortgagee, a series of cheques post-dated for the period of time requested; nothing herein provided shall be construed as limiting the mortgagor's liability to pay such monies as may otherwise become due hereunder; or
  - b. The mortgagor will execute and deliver to the mortgagee an authorization directed to the mortgagor's bank, trust company or credit union to debit the mortgagor's account in the amount of the monthly mortgage payment and to provide to the mortgagee any other documentation that may be required by it to facilitate such authorization.
- Charge of Land** 31. That for the better securing to the mortgagee the repayment in manner aforesaid of the principal and interest and other charges and monies hereby secured and for the due performance by the mortgagor of the covenants, provisos and conditions herein expressed or implied the mortgagor does hereby mortgage to the mortgagee all the mortgagor's estate and interest in the said lands.



**Re-Advance**

32. Upon repayment to the Mortgagee of the original principal amount of this mortgage in whole or in part, the Mortgagor may from time to time, at the Mortgagee's option, borrow additional principal amounts, in which event, this mortgage will remain as security for all principal interest, and other amounts owing by the Mortgagor to the Mortgagee whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, it being agreed that this mortgage shall be a continuous charge deemed to be taken as security for the ultimate balance of the monies hereby secured.

**Condominium  
Lands**

33. In the event that this mortgage is registered against lands registered under the *Condominium Property Act of Alberta*, the Mortgagor covenants and agrees with the Mortgagee that, notwithstanding any other provision of these Standard Charge Mortgage Terms, each of the following provisions contained herein shall apply in respect of any condominium "unit" within the meaning of the *Condominium Property Act of Alberta* that comprises the whole or any part of the lands:

- a. "Condominium Corporation" as used herein means the Condominium Corporation of which the Mortgagor is a member by virtue of the ownership by the Mortgagor of the condominium unit being charged by the mortgage.
- b. The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the Condominium Corporation:
  - i. in all cases in which a unanimous resolution is required by the *Condominium Property Act of Alberta* as amended, the By-Laws of the Condominium Corporation or any Agreement with the Condominium Corporation:
  - ii. in all other cases other than as referred to in subclause (i) hereof, provided that in the event that the Mortgagee is either not present or present by proxy, or if present, does not wish to vote, then the Mortgagor may exercise the voting right without further authority.
- c. The Mortgagor does hereby covenant and agree to execute any documents which the Mortgagee may request the Mortgagor to execute, including but not limited to, proxies if required, in order to give effect to the assignment of the aforesaid voting rights of the Mortgagee.
- d. The Mortgagor agrees to observe and perform all covenants and provisions required to be observed and performed pursuant to:
  - i. the terms of the mortgage;
  - ii. the *Condominium Property Act of Alberta*, all amendments thereto, and any legislation passed in substitution thereof, and
  - iii. the By-Laws of the Condominium Corporation and amendments thereto.
- e. The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf or any assessment, instalment or payment due to the Condominium Corporation or upon breach of any covenant or provision hereinbefore in this paragraph contained, including those covenants or provisions referred to in clause (d) hereof, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of the mortgage and proceed to exercise its rights herein, and the Mortgagee may pay all monies owing to the Condominium Corporation and add such amount to the principal owing under the mortgage;

- f. Upon default herein, and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagor may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under any of the clauses herein contained.

**Environmental Warranties**

34. The Mortgagor warrants and represents that:

- a. No Hazardous Substances (as defined herein) have been or will be used, stored, processed, manufactured, handled or discharged in, on under or from the mortgaged premises (except as have been disclosed to and approved by the Mortgagee in writing);
- b. Neither the mortgaged premises nor, to the best of the Mortgagor's belief, any adjacent land(s) have ever been used as or for a waste disposal site or coal gasification site, and there are not now, nor were there ever, any underground storage tanks on the mortgaged premises;
- c. All permits, licences, certificates, approvals, authorizations, registrations or the like required by the Requirements of Environmental Law (as defined herein) for the operation of the Mortgagor's business on the mortgaged premises, or any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises, have been obtained and are valid, in full force and effect and in good standing;
- d. No environmental damage has ever occurred on, or will result from the Mortgagor's use of the mortgaged premises or any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises, and;
- e. There are no convictions (or prosecutions settled prior to conviction) or outstanding or threatened investigations, claims, work orders, notices, directives or other similar remedial actions against the mortgaged premises or the Mortgagor in relation to any Requirements of Environmental Law.

**Environmental Covenants**

35. The Mortgagor further covenants that it will:

- a. Remedy forthwith, at its own expense, any environmental damage that may occur or be discovered on the mortgaged premises in the future;
- b. Comply with and monitor, on a regular basis, its compliance and the compliance of any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises with all Requirements of Environmental Law;
- c. Notify the Mortgagee promptly of any event or occurrence that will, or is likely to, give rise to a report, order, inquiry or investigation relating to a matter that may have an adverse effect on the financial position of the Mortgagor or the mortgaged premises or any action, suit or proceeding against the Mortgagor or others having an interest in the mortgaged premises relating to, or a violation of the Requirements of Environmental Law, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into on or under the mortgaged premises, air and surface and ground water, and will also notify the Mortgagee promptly of any such above-mentioned information of which the Mortgagor has or receives knowledge relating to land(s) adjacent to the mortgaged premises;
- d. No lease or consent to any sublease of any part of the mortgaged premises to a tenant, subtenant or assignee who may engage in, nor permit any tenant, subtenant, assignee or occupant of the mortgaged premises to engage in, a business involving the generation of environmental contamination or the storing, handling, processing, manufacturing or disposing of Hazardous Substances in, on, under or from the mortgaged premises and any lease, sublease or assignment of any part of the mortgaged premises shall preserve against any lessee, sublessee or assignee all of the rights of the Mortgagee herein;

- e. Remove in accordance with all Requirements of Environmental Law, any Hazardous Substances from the mortgaged premises forthwith upon their discovery and advise the Mortgagee forthwith in writing of the procedures taken; and
- f. Provide to the Mortgagee upon request such information, certificates or statutory declarations as to compliance with the provisions hereof and all Requirements of Environmental Law and conduct upon request by the Mortgagee and deliver to the Mortgagee such environmental audits or site assessments as may be reasonably necessary to ensure compliance with the Requirements of Environmental Law.

The Mortgagor further covenants that it will be liable for and fully indemnify the Mortgagee, its officers, directors, employees, agents, shareholders and members, and agrees to hold each of them harmless, from and against any and all losses, liabilities, damages, costs, demand, expenses and claims of any and every kind whatsoever relating to any breach of non-compliance with laws or regulations by the Mortgagor or its directors, officers, servants, agents, tenants or invitees, or relating to any Hazardous Substances handled, placed, held, located or disposed of on or in the mortgaged premises or related to any claims or proceedings (whether by civil action or related to any enforcement or recovery action under statute or regulation) for injury or damages to person or property from or relating directly or indirectly to the use, presence, handling, disposal, escape or release of any Hazardous Substances on or from the mortgaged premises. Such indemnity includes, without limitation, indemnity against:

- a. All costs (including legal expenses on a solicitor-and-his-own client basis) of defending, counterclaiming and/or claiming against the Mortgagor or any third parties in respect of any action or matter; and
- b. Any and all costs, liabilities, claims or damages arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor, which at any time or from time to time may be paid, incurred or asserted against any of the parties indemnified hereby for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the mortgaged premises or into or upon any land(s), the atmosphere, or any watercourse body of water or wetland, of any Hazardous Substances; and
- c. Any and all environmental remedial costs incurred by the Mortgagee directly or indirectly arising out of or attributable to the non-compliance of the Mortgagor with environmental laws, regulations or orders or to the presence on, under or about the mortgaged premises of Hazardous Substances.

That all such liability and indemnity shall survive the repayment of or sale or foreclosure under this Mortgage and any other extinguishing of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

For the purposes hereof:

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, bylaws, ordinances, treaties, judgements and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental, or occupational health and safety matters and the mortgaged premises and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to:

- i. the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater);

- ii. the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and
- iii. Hazardous Substances, as defined herein.

"Hazardous Substances" means substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

**Construction  
Mortgage**

36. In the event the mortgage is a building or construction mortgage, it is the intention of the parties hereto that:
- a. The building or buildings being created or to be erected on the land(s) form part of the security for the full amount of the monies secured by the mortgage;
  - b. All advances on the mortgage are to be made from time to time in the future in accordance with the mortgagee's policy on interim advances and with the progress of construction of such building or buildings or upon its or their completion and occupation;
  - c. The Mortgagor will construct the building, buildings and other improvements on the land(s) in accordance with plans and specifications which have been or which may hereafter be approved by the Mortgagee, in accordance with applicable building codes, in accordance with the Mortgagee's construction standards, and will carry on diligently to completion the construction of the said building, buildings and other improvements, and will complete such construction in compliance with the requirements of all municipal and other governmental authorities, laws, bylaws or regulations, and will, when so required by the Mortgagee, supply the Mortgagee with evidence or confirmation from any such municipal or governmental authority of such compliance;
  - d. In the event that any such building, buildings and other improvements now or hereafter in the course of construction remain unfinished and without any work being done for a period of ten consecutive days, the Mortgagee may enter the land(s) and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Mortgagee may see fit, and any monies expended by the Mortgagee pursuant to this subclause shall be a charge on the land(s) and bear interest at the interest rate and shall be deemed to constitute part of the principal;
  - e. The Mortgagee shall be entitled, at the expense of the Mortgagor, to inspect all aspects of the construction and make tests of materials, and the Mortgagor will not cover any portion of the construction work requiring inspection by the Mortgagee until the Mortgagee has inspected the same, and the Mortgagor shall forthwith remedy and carry out again any work which does not conform to the Mortgagee's reasonable requirements;
  - f. The Mortgagee shall not be obliged to hold back advances to provide the lien fund or other protection to the Mortgagor under the *Builder's Lien Act of Alberta* or any other similar statutes (the "Act"); provided that if the Mortgagee holds back any advances in a manner similar to the way the said Act provides for an owner to make holdbacks the, notwithstanding such holdbacks by the Mortgagee, such holdbacks shall not constitute the lien fund under the said Act and the Mortgagee shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the said Act;



**Releasing the Original Borrower**

For high ratio insured mortgages:

This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

**Due on Sale**

In the event of a Transfer of the Mortgaged Premises, in whole or in part, or of any interests therein to a Transferee, if

- i. The Mortgagor fails to apply in writing for the approval of the Mortgagee as to the Transferee and the terms and conditions of the Transfer.
- ii. The Mortgagee does not approve in writing the Transferee.
- iii. The Mortgagee does not approve in writing the terms and conditions of the Transfer, or
- iv. The Transferee fails to enter into an assumption agreement satisfactory to the Mortgagee, agreeing to assume the Mortgage and any amendments thereto, and any collateral agreements and to pay the amount thereby secured and perform every covenant, condition and obligation contained in the Mortgage and any amendments thereto, and any collateral agreements, to be performed by the Mortgagor thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the Mortgage and any amendments thereof,

then, in any such case, the outstanding principal balance of the Mortgage shall, at the option of the Mortgagee, immediately become due and payable together with all accrued interest and other monies owing thereunder.

**SCHEDULE "B"**

**ADJUSTABLE RATE CONVENTIONAL OR INSURED MORTGAGE**

This schedule forms part of a mortgage (hereinafter the mortgage, all schedules thereto and any applicable standard form mortgage or standard charge or mortgage terms are collectively called the "Mortgage") between the Mortgagor(s), the party or parties, if any, identified in the Mortgage as the spouse(s) of the Mortgagor(s), the party or parties, if any, identified in the Mortgage as guarantor(s) (collectively, the "Mortgagor"), and Concentra Financial Services Association as the Mortgagee. If there is any conflict between any provision of this schedule and any other provision of the Mortgage, such provision of this schedule shall prevail.

**A. VARIABLE INTEREST RATE PROVISIONS**

1. The Mortgagor shall pay to the Mortgagee interest on the principal amount of the Mortgage outstanding, from time to time, and all other amounts owing under the Mortgage at a variable rate of interest per annum (herein called the "Mortgage Rate") calculated semi-annually not in advance, and payable both before and after default, maturity and judgment. The Mortgage Rate is equal to the Mortgagee's Prime Rate from time to time plus or minus an Incremental Rate. Prime Rate means the floating annual rate of interest established and recorded by the Mortgagee from time to time as a reference rate for purposes of determining rates of interest the Mortgagee will charge on loans denominated in Canadian dollars. On the 8<sup>th</sup> day of December, 20 14, the Prime Rate was 3 % per annum. The Incremental Rate is plus 1.5 %. Therefore, on such date, the Mortgage Rate was 4.5 % per annum calculated semi-annually not in advance. This Mortgage Rate will remain in effect until there is a change in the Prime Rate.
2. If and whenever the Prime Rate varied by the Mortgagee, the Mortgage Rate will also be varied, effective on the first (1<sup>st</sup>) day of the month immediately following the month in which the variance in the Prime Rate comes into effect. The Mortgagee may, in its sole discretion, vary the Prime Rate at any time and from time to time.
3. Notice of any change in the Prime Rate may be given to the Mortgagor by posting a notice on the Mortgagee's website or by mailing the notice to the last known address of the Mortgagor as contained in the Mortgagee's records; and the change in the Prime Rate shall become effective notwithstanding failure of the Mortgagee to mail the statement or non-receipt of the statement by the Mortgagor.
4. When the Mortgage Rate changes, the amount of the blended monthly payment of principal and interest shall be recalculated by the Mortgagee, so that the then outstanding principal of the Mortgage shall be repaid over the remainder of the amortization period of the loan as at the date of such change in the Mortgage Rate. The remainder of the amortization period shall be equal to the original amortization period less the number of months that have elapsed since the Interest Adjustment Date. The "Interest Adjustment Date" is the date on which the term of the Mortgage commenced.

**B. PREPAYMENT PRIVILEGE**

Within fourteen (14) days after the effective date of any increase in the Mortgage Rate, the Mortgagor shall be entitled to prepay the whole amount outstanding without notice, bonus, penalty or fee. For the purpose of determining the total amount to be prepaid, interest from the effective date of such increase in the Mortgage Rate to the date of prepayment shall be calculated on the basis of the Mortgage Rate in effect immediately before such increase. If the Mortgagor does not prepay the whole amount outstanding within the fourteen (14) day period, the Mortgagor shall pay interest on the principal amount of the Mortgage at such increased Mortgage Rate from and after the effective date of the change in the Mortgage Rate until the effective date of the next following change in the Mortgage Rate or the end of the term, whichever shall first occur.

**C. DEFERRED INTEREST**

The amount of interest that has accumulated on the outstanding principal amount of the Mortgage from one regular payment to the next regular payment that exceeds the regular loan payment is called "deferred interest". Interest at the Mortgage Rate will be charged on deferred interest from and including such regular payment date. On the next following regular payment date, all interest that has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including that regular payment date at the Mortgage Rate. The Mortgagor may pay deferred interest to the Mortgagee by separate payment. The Mortgagor's regular instalment payments will not be applied to reduce

deferred interest. The total amount of deferred interest outstanding from time to time under the Mortgage may be obtained by contacting the Mortgagee.

D. OPTION TO CONVERT TO FIXED INTEREST RATE

The Mortgagor shall be entitled, when not in default under the Mortgage, to request an amendment to the Mortgage to convert the Mortgage Rate from a variable rate to a fixed interest rate, as determined by the Mortgagee, at the time of conversion, and to amend:

- (a) the term of the Mortgage to a term, as determined by the Mortgagee, that is not less than the then remaining term of the Mortgage; and
- (b) the amount of the instalments of principal and interest payable under the Mortgage, as determined by the Mortgagee, in accordance with the amendments to the Mortgage.

All such amendments shall be made under a mortgage renewal agreement in form and substance satisfactory to the Mortgagee which shall state the date on which the amendments take effect.

After exercise of this conversion option by the Mortgagor, the Mortgagor will no longer be entitled to exercise any prepayment rights contained herein, if any, and the prepayment terms and conditions of the Mortgage, as amended, shall prevail.

E. CALCULATION OF PAYMENT

Interest is calculated on the closing daily balance, using the following formula:  
1 day's interest = (Mortgage Rate x Principal)/365

Example: Interest on a principal balance of \$100,000 at 8.00% for 30 days would be:  
 $(8.00\% \times 100,000) / 365 = \$21.91780$  per day  
 $\$21.91780 \times 30 \text{ Days} = \$657.53$



## SCHEDULE "A"

In consideration of the granting of a loan in the maximum principal sum of **TWO HUNDRED AND FIFTY THOUSAND (\$250,000.00)** to be advanced on a Revolving Line of Credit lent to the Mortgagor(s) by Innovation Credit Union, whose postal address is P.O. BOX 1090, SWIFT CURRENT, SK S9H 3X3, who and whose successors and assigns are hereinafter included in the expression, "the Mortgagee", the receipt of which sum is hereby acknowledged, covenants and agrees with the Mortgagee as follows:

THAT the Mortgagor(s) will pay to the Mortgagee in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan, set out above, the sum lent to the Mortgagor(s) as aforesaid, with interest therein as follows:

- (a) On all amounts advanced up to the authorized limit of the Revolving Line of Credit calculated yearly not in advance, as well after as before maturity, default, or judgement until paid at a rate of interest equal to the Prime Rate of interest of the Mortgagee declared from time to time plus **ONE AND ONE HALF percent (1.50%)** per annum.
- (b) On all amounts advanced exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default, or judgement at the rate applicable to overdrafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft amount for so long as the Revolving Line of Credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in statements or publications made available to the Mortgagor(s). A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.

At the date of making this agreement, the Prime Rate of interest of the Mortgagee **THREE percent (3.00%)** per annum.

UPON DEMAND. Until demand shall be made, the Mortgagor(s) covenants and agrees to pay to the Mortgagee interest as aforesaid. Interest accrues (is computed) daily and is payable on the last day of each and every month during which there are sums outstanding and owing hereunder.

Any payments made shall be applied and credited firstly on interest owing at the time of payment, and the balance on principal.

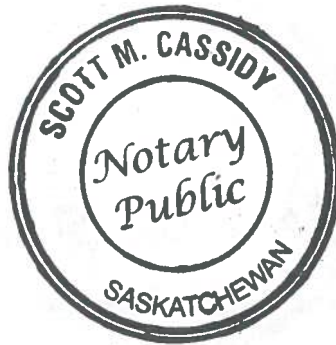
## PREPAYMENT SCHEDULE "B"

This Schedule forms part of the Mortgage, or Mortgage Renewal Agreement, as the case may be between 1764239 ALBERTA LTD.as Mortgagor(s), and Innovation Credit Union as Mortgagee, dated the      day of      ,      ,("the Mortgage").

- a) The Mortgagor shall have the privilege of, at any time, paying any sum in addition to the sums payable hereunder, on account or in full of the Mortgage and interest, without notice or bonus, and in that event, interest on such amount so paid shall be computed only to such date of payment.
  
- b) Notwithstanding any prepayment on account of principal, the regular instalments due under the mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment.

This is Exhibit 8 to the Affidavit  
of Brad Appel sworn before me  
this 8<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024

**MORTGAGE-TERM**

**SALRD/NALRD**

**1. MORTGAGOR(S) (Include Address)**

1764239 ALBERTA LTD.  
 954 7 STREET SW  
 MEDICINE HAT, ALBERTA  
 T1A 7R7



**2. LAND (Legal Description)**

PLAN 832LK  
 BLOCK 1  
 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

**3. MORTGAGEE (Including address and postal code for service)**

CONCENTRA FINANCIAL SERVICES ASSOCIATION  
 333 3<sup>rd</sup> AVENUE NORTH  
 SASKATOON SASKATCHEWAN S7K 2M2

**4. TERMS**

The following terms are incorporated herein:

- (a) Standard Form Mortgage Terms filed as number: 071476473
- (b) Terms attached hereto as schedule(s) "B" ADJUSTABLE RATE CONVENTION

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In this mortgage, unless otherwise specified, "herein\*" means this mortgage, the terms contained in the aforesaid Standard Form Mortgage Terms and all schedules to the mortgage, if any.

**5. REPAYMENT PROVISIONS**

a) Principal Amount \$ 1,817,250.00	b) Interest Rate PRIME RATE PLUS 1 %	c) Interest Adjustment Date 28 / FEBRUARY / 20 15
d) Interest Calculation Period YEARLY	e) Payment Frequency MONTHLY	f) First Payment Date 31 / MARCH / 20 15
g) Payment Amount \$ 10,981.00	h) Last Payment Date 28 / FEBRUARY / 20 20	i) Balance Due Date 28 / FEBRUARY / 20 20

- j) Interest calculated semi-annually and not in advance if 5 (d) other than semi-annual

**6. MORTGAGOR'S COVENANTS AND EXECUTION**

- a) I (We) am (are) the registered owner(s) of the land being mortgaged.
- b) I (We) promise and covenant to pay the principal sum, interest and all other charges and money hereby secured and to be bound by all the terms herein.
- c) I (We) hereby mortgage and charge all my (our) estate, interest and title in the land for the purposes of securing all my (our) obligations herein including the payment of the principal sum, interest and all other amounts secured by the mortgage.

- d) This mortgage includes and is subject to the terms contained in the Standard Form Mortgage Terms filed with the Registrar under the instrument number recited herein.
- e) I (We) understand and acknowledge that this mortgage consists of the terms referred to herein as well as the terms recited in the Standard Form Mortgage Terms and schedule(s) (if any) referred to herein.
- f) I (We) hereby acknowledge receipt of a copy of this Mortgage and schedule(s) hereto (if any) and the Standard Form Mortgage Terms referred to herein.

**7. RELEASING THE ORIGINAL BORROWER**


For high ratio insured mortgages: This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my seal the 14 day of FEBRUARY, 20 15.

SIGNED, SEALED AND DELIVERED  
by the above named  
as Mortgagor, in the presence of:

1764239 ALBERTA LTD.

  
DORIS E. REIMER, BARRISTER & SOLICITOR

  
BRIAN OSTRANDER, PRESIDENT

The Address of the Mortgagee is:

333 - 3RD AVENUE NORTH  
SASKATOON, SASKATCHEWAN  
S7K 2M2

ENCUMBRANCES REFERRED TO:

EASEMENT NUMBER 031 099 497	MORTGAGE NUMBER 141 016 073	POSTPONEMENT NUMBER 141 255 201
MORTGAGE NUMBER 131 238 189	POSTPONEMENT NUMBER 141 026 166	
MORTGAGE NUMBER 141 016 072	CAVEAT NUMBER 141 213 233	

FORM 31.1

LAND TITLES ACT  
(Section 152.3)

AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY


1. I, BRIAN OSTRANDER, of the City of Calgary, Make Oath and Say:

1. I am an officer or a director of 1764239 Alberta Ltd. named in the within or annexed instrument (or caveat).

2. I am authorized by the corporation to execute the instrument (or caveat) without affixing a corporate seal.

SWORN before me at the City )  
of Calgary, in the Province )  
of Alberta, this 11<sup>th</sup> day of )  
February, 2015. )

  
\_\_\_\_\_  
BRIAN OSTRANDER

  
\_\_\_\_\_  
A Commissioner for Oaths in  
And for the Province of Alberta  
Being a Solicitor

Doris E. Reimer  
Barrister and Solicitor

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, being married to the above named \_\_\_\_\_ do hereby give my consent to the disposition of our homestead, made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by *THE DOWER ACT*, to the extent necessary to give effect to the said disposition.

\_\_\_\_\_  
(Signature of Spouse)

**CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE**

1. This document was acknowledged before me by \_\_\_\_\_ apart from her husband (or his wife).
2. \_\_\_\_\_ acknowledged to me that she (or he):
  - (a) is aware of the nature of the disposition;
  - (b) is aware that *THE DOWER ACT* gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
  - (c) consents to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by *THE DOWER ACT* to the extent necessary to give effect to the said disposition;
  - (d) is executing the document freely and voluntarily without any compulsion on the part of her husband (or his wife).

Dated at \_\_\_\_\_, in the Province of Alberta this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Title of Officiating Officer)

**AFFIDAVIT**

CANADA )  
 )  
PROVINCE OF ALBERTA )  
 )  
TO WIT: )

I, \_\_\_\_\_  
of the \_\_\_\_\_ of \_\_\_\_\_  
in the Province of Alberta,

**MAKE OATH AND SAY:**

1. That I am the mortgagor named in the within instrument;
2. That I am not married  
- or -  
That neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

Sworn before me at \_\_\_\_\_ )  
 )  
in the Province of Alberta )  
this \_\_\_\_\_ day of \_\_\_\_\_ )  
\_\_\_\_\_ A.D. 20\_\_\_\_\_ )  
 )

\_\_\_\_\_  
A COMMISSIONER FOR OATHS in and for the Province of Alberta.





**THE LAND TITLES ACT, 1980 R.S.A. AND AMENDMENTS THERETO**  
**SECTION 113.1(1)**  
**SET OF STANDARD MORTGAGE TERMS**  
**TERM MORTGAGE**  
**(Alberta)**

**FILED BY: CONCENTRA FINANCIAL SERVICES ASSOCIATION**

**South Alberta (Calgary)**

**Filing No. 071476473**

**Date Filed: September 24, 2007**

**North Alberta (Edmonton)**

**Filing No. 072571522**

**Date Filed: September 21, 2007**

The following set of Standard Form Mortgage Terms shall be deemed to be included in every mortgage in which the set of terms is referred to by its filing number as provided in section 113.2(2) of the *Land Titles Act, R.S.A.*; as amended.

**Definitions** In this set of Standard Mortgage Terms, the following words and expressions have the following meanings wherever they are used:

- (a) **"mortgage"** includes the Mortgage, this set of Standard Form Mortgage Terms and all schedules attached to the Mortgage and includes the Mortgage as amended from time to time;
- (b) **"mortgagor"** and **"I"** refer to each person who signs the Mortgage as Mortgagor and their heirs, executors, administrators, successors and assigns. Where more than one party signs the Mortgage, the liability shall be joint and several;
- (c) **"mortgagee"** refers to the Mortgagee named in the Mortgage and its successors and assigns;
- (d) **"principal"** means the principal amount set out in the Mortgage;
- (e) **"the said rate"**, **"interest rate"** and the **"rate of interest"** means the interest rate set out in the Mortgage;
- (f) **"land(s)"** or **"the said lands"** or **"the mortgaged premises"** means the land described in the Mortgage and all buildings, improvements and other structures now or later on it.

**Promise to Pay** **IN CONSIDERATION OF THE PRINCIPAL** lent to the Mortgagor by the Mortgagee, the receipt whereof is hereby acknowledged by the Mortgagor, the Mortgagor hereby covenants and agrees with the Mortgagee as follows:

1. That I will pay to the Mortgagee in lawful money of Canada the principal with interest at the interest rate at an office in the Province of Alberta or elsewhere as designated by the Mortgagee from time to time as follows:
  - a. INTEREST at the interest rate on the amount(s) of the principal from time to time advanced, the time of advance being the time the money herein paid out to the Mortgagor or at his/her discretion (including the Solicitor drawing this mortgage), computed from the respective dates of such advances until the date for adjustment of interest, shall become due and be paid on that interest adjustment date.
  - b. THE PRINCIPAL with interest thereon or on so much thereof as shall from time to time remain unpaid, as well after as before maturity until paid and both before and after default, and both before and after judgement, computed from the interest adjustment date, calculated at the interest rate and computed half-yearly not in advance by equal monthly instalments of principal and interest to become due as set forth in the Mortgage such monthly instalments to be applied firstly on account of accrued interest as hereinbefore provided and secondly in reduction of the principal balance remaining unpaid.

**Overdue Interest**

2. That the mortgagor will pay to the mortgagee interest as aforesaid and in the manner aforesaid on the principal, or so much thereof as shall from time to time remain unpaid, at the rate aforesaid, calculated and computed as aforesaid. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon as aforesaid) as principal and shall bear compound interest at the said rate as well after as before maturity of this mortgage, and all

such interest and compound interest shall be a charge on the said lands. If any of the monies hereby secured be not paid when due, the mortgagor will, so long as any part thereof remains unpaid, pay interest thereon as above provided from day to day.

**Payment of Taxes**

3. That, subject as hereinafter in this paragraph provided, the mortgagor will pay when and as the same fall due all taxes rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises or on this mortgage or on the mortgagee in respect of this mortgage; provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the mortgaged premises, at the option of the mortgagee, the following will apply:
  - a. The mortgagee may deduct from the final advance of the monies secured by this mortgage an amount sufficient to pay the taxes which have become due and are unpaid at the date of such final advance.
  - b. The mortgagor agrees to pay to the mortgagee in monthly instalments, at the same time and dates hereinbefore fixed for payment of principal and interest one-twelfth (1/12) of the amount as estimated by the mortgagee, of the taxes next becoming due and payable, including any other levy; and the mortgagor shall also pay to the mortgagee on demand, the amount, if any, by which the actual taxes exceed such estimated amount.
  - c. The mortgagor shall forthwith, upon receipt, deliver to the mortgagee, any and all assessment notices, tax notices or other notices affecting imposition of taxes with respect to the subject property. The mortgagor agrees that should failure to forward such notices to the mortgagee result in penalty of any nature whatsoever, the mortgagor shall be responsible for payment of such penalty.
  - d. It is agreed that the mortgagee shall be entitled to charge to the mortgagor all reasonable costs, charges and expenses which may be incurred in connection with the collection and payment of the taxes and any other levy aforesaid, which is to become part of the principal hereby secured and be a charge on the said lands in favour of the mortgagee and shall at the option of the mortgagee be payable by the mortgagor on demand.
  - e. The mortgagee shall allow the mortgagor credit for interest at the rate established by the mortgagee from time to time on the minimum monthly balances standing in the tax account from time to time, such interest to be credited to the mortgage account not less frequently than once each year; and the mortgagor shall be charged interest, at the mortgage rate, on the debit balance, if any, in the mortgagor's tax account outstanding after payment of taxes by the mortgagee, until such debit balance is fully paid.
  - f. The mortgagee agrees to apply such deduction and payment on the taxes chargeable against the said lands so long as the mortgagor is not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the mortgagee to apply such payment on account of taxes oftener than yearly. Provided, however, that if before any sum or sums so paid to the mortgagee shall have been so applied, there shall be default by the mortgagor in respect of any payment of principal or interest as herein provided, the mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default.

**Fixtures**

4. That any and all erections, buildings plants and improvements, fixed or otherwise, now or hereafter put upon the said lands, including but not limiting the generality of the foregoing all fences, machinery, heating, plumbing, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, elevators and all other apparatus and equipment, appurtenant thereto are and shall, in addition to other fixtures thereto become fixtures and form part of the said lands and of the security and shall together with the said lands be included in the expression "The said premises".

**Insurance Requirements**

5. That the mortgagor will forthwith insure the said premises and during the continuance of this security keep the said premises insured to the extent of their full insurable value in lawful money of Canada with a company or companies approved by the mortgagee against loss or damage by fire, plate glass breakage, boiler explosion and other casualty, such policies of insurance to contain the usual "Extended Coverage and Replacement Costs Endorsements"; and, if required by the mortgagee, will also insure against loss or damage from any cause

whatsoever, and that the mortgagor will not do or permit anything to be done whereby the said policy or policies may be vitiated, and will pay all premiums and sums of money necessary for such purpose, as the same become due, and will assign and deliver unto the mortgagee the policy or policies of insurance and the receipt or receipts relating thereto. Evidence of the renewal of such insurance shall be produced to the mortgagee at least ten (10) days before the insurance then existing shall expire, failing which the mortgagee may insure as hereinafter provided.

**Obligation to Repair**

6. That all monies received by virtue of any policy or policies of insurance may at the option of the mortgagee:
  - a. Be forthwith applied on or towards substantially rebuilding, reinstating and repairing the said premises; or
  - b. Be applied in or towards the payment of the last instalment of principal sum falling due under and by virtue of this mortgage, and in case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid and in case of a surplus then in or towards payment of any interest that may be accrued due; or
  - c. Be paid over in whole or in part to the mortgagor but no such payment shall operate as payment or novation of the mortgagor's indebtedness hereunder or as a reduction of this mortgage; or
  - d. Be applied partly in one way and partly in another as the mortgagee may determine.

**Insurance Against Particular Risks**

7. That it will during the continuance of this security maintain public liability and property damage insurance against claims for personal injury, death or property damage occurring on or about the said premises, such insurance to afford protection in such amounts as the mortgagee may from time to time reasonably require and also maintain in force rental or business interruption insurance in an amount sufficient to cover the instalments of principal, interest and taxes payable under this mortgage or eighteen (18) consecutive months.

**Mortgagor's Covenants**

8. And the mortgagor hereby covenants with the mortgagee that the mortgagor
  - a. Has a good title to the said land;
  - b. Has a right to mortgage the said land;
  - c. And that on default the mortgagee shall have quiet possession of the said land, free from all encumbrances;
  - d. Will execute such further assurances of the said land as may be requisite;
  - e. Had done no act to encumber the said land.

**Condition & Repair of Lands**

9. During the continuance of this mortgage the mortgagor will not permit, suffer or allow any act of waste upon the said lands, and will, well and sufficiently repair, maintain, and keep the said premises in good and substantial repair.

**Financial Statements**

10. That the mortgagor will within One Hundred and Twenty (120) days following the end of each of its fiscal periods furnish to the mortgagee a detailed report of that mortgagor's independent auditors accompanied by a detailed balance sheet, profit and loss statement and all supporting schedules together with particulars in income, operating costs and expenses and current rent roll, in each case with respect to the operation of the improvements upon the said lands.

**Inspection of Books**

11. That the mortgagor will permit the mortgagee, either by its officers or authorized agents, to enter upon the said lands or such other premises in which the books of account may be maintained during business hours and inspect the books of the mortgagor, make extracts therefrom and generally conduct such examination of the books of account as the mortgagee may deem fit with respect to the said lands.

**Events of Default**

12. That the whole of the unpaid principal sum hereby secured together with any interest payable as herein provided shall, at the option of the mortgagee, become due and payable in like manner and to all intents and purposes as if the time herein mentioned for payment had fully come and expired in every of the events following:
  - a. Should the mortgagor fail to pay any instalment of interest or principal and interest on their due date;
  - b. Failure by the mortgagor to observe or perform any other covenants, conditions, stipulations or provisos contained in this mortgage;
  - c. Should any prior mortgagee refuse to advance the whole of the principal sum intended to be secured under the prior mortgage;
  - d. Failure by the mortgagor to observe or perform any of the covenants, conditions, stipulations or provisos contained in any other security taken as additional security for the repayment of the said principal sum and interest;
  - e. Should the mortgagor sell or agree to sell the said lands or any part thereof of any part of the said premises without the consent in writing of the mortgagee first had and obtained;
  - f. Should the mortgagor or any guarantor or indemnitor of the principal sum hereby secured 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 bankruptcy of insolvent debtors or go into liquidation, either voluntarily or under an order of a court of competent jurisdiction;
  - g. Should the mortgagor or any guarantor or indemnitor of the principal sum hereby secured allow a creditor to enter judgement against them or any of them by reason of their financial inability to pay a debt or debts;
  - h. Failure by the mortgagor to observe or perform any of the terms, conditions, provisos, covenants, stipulations, undertakings or obligations set forth in any loan agreement made between the mortgagee and the mortgagor;
  - i. Should any representation or warranty made by the mortgagor in the loan agreement hereinbefore referred to be untrue;
  - j. Should the mortgagor fail to pay any instalments due on taxes on due dates.

**Mortgagee's Powers & Rights**

13. That after the happening of an event of default as hereinbefore defined, upon the happening of which the security hereby constituted become enforceable, the mortgagee shall have the following rights, powers, licenses and authorities and the mortgagor hereby grants to the mortgagee the full power, right license and authority to:
  - a. Take action forthwith for a declaration as to the amount owing under this mortgage and judgement for the full amount declared due and owing;
  - b. Take action forthwith and obtain a declaration as to the amount owing under this mortgage and in default of payment of the same by the mortgagor, an Order Confirming Sale, debarring and foreclosing all the mortgagor's right, title and equity of redemption in and to the said lands, and vesting the said lands in the mortgagee free and clear of all encumbrances;

- c. Insure the said premises or any part thereof to the full insurable value or such lesser value as shall, in the sole discretion of the mortgagee, be sufficient to protect its security;
- d. Pay any taxes, rates, liens, charges, mortgages, encumbrances, unpaid purchase monies, or claims which are now or may hereafter be levied, charged or filed against the said lands; the propriety of paying out any such sum or sums to be a matter upon which the decision of the mortgagee shall be absolute and final;
- e. Make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, addition to, or putting in order the said premises including without restricting the generality of the foregoing, to complete the construction of any building or buildings or other erections or improvements on the said lands left by any mortgagor in an unfinished state, or award the same to others to complete, and in either of such cases, shall have the right to take possession of and use or permit others to use all or any part of mortgagor's materials, supplies, plant, tools, equipment, (including appliances on the said lands) and property of every kind and description, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth;
- f. Enter into and upon the said lands, or any part thereof, and terminate any tenancy hereby created without giving any notice to quit to the mortgagor, and to receive and take the earnings, revenues, rents, issues and profits thereof, and whether in or out of possession thereof make any lease of the same or any part thereof as the mortgagee sees fit, but it is agreed that neither the existence of this clause nor anything done by virtue hereof shall constitute the mortgagee to be a mortgagee in possession and accountable as such or for any monies except those actually received, whether from a tenant or otherwise;
- g. Serve notice upon any tenant or tenants of the said lands or any part thereof to pay all rents due or thereafter become due to the mortgagee, and the mortgagee shall not by reason of such collection of rent be deemed to be a mortgagee in possession or held accountable as such for any monies, except those actually received and collected;
- h. Seize and distrain upon the said lands or any part thereof and by distress warrant recover by rent reserved as in the case of a demise of the said lands;
- i. Sell and convey the said lands or any part thereof on such terms or credit or part cash and part credit or otherwise as shall appear to be most advantageous and for such prices as can reasonably be obtained therefor, and in the event of a sale for credit, or for part cash and part credit the mortgagee is not be accountable or charged with any monies until actually recovered, and it is agreed that sales may be made from time to time of any part or parts of the said lands to satisfy interest or any portion thereof to run with interest payable as aforesaid and the mortgagee may make any stipulations as to title or otherwise as it shall deem proper and may buy in or rescind or vary any contract for the sale of any part of the said lands and may sell without being answerable for loss occasioned thereby and for any of such purposes may execute all agreements and assurances it shall think fit;
- j. Send or employ an inspector or agent to inspect and report upon the value, state and condition of the said lands, and a solicitor to examine and report upon the title of the same;
- k. Appoint a receiver of the income of the said lands, or any part thereof and delegate to such receiver or any agent any powers of the mortgagee hereunder and any receiver so appointed shall be an agent of the mortgagor;
- l. Exercise its rights or remedies herein reserved successively or concurrently with the exercising by it of the rights and remedies reserved to it in any other security now or hereafter taken to secure the said principal and interest.

and the amounts so paid or indebtedness incurred as aforesaid by the mortgagee together with any and all other costs, charges and expenses which may be incurred in the taking, recovering, keeping possession, or disposing of the said lands, or which may be incurred in any other proceedings taken to protect the security of this mortgage or realize the monies hereby

secured, or to perfect the title to the said lands, or to realize on any security collateral hereto, including without restricting the generality of the foregoing all legal costs including the mortgagee's solicitor and client costs, and an allowance for the time, work and expenses of the mortgagee, or of any agent, solicitor or employee of the mortgagee whether such charges, cost and expenses are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the mortgagor or otherwise shall become part of the principal hereby secured and bear interest accordingly at the stipulated rate until paid and all such sums together with interest shall be a charge on the said lands in favour of the mortgagee and shall be payable forthwith by the mortgagor, and in the event of any monies being advanced as aforesaid and 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 person or persons so paid off, whether any such lien, charge, mortgage or encumbrance has or has been discharged; AND FROM AND OUT of the proceeds realized from such use or sale of the said lands, or any part thereof, firstly to apply the same in or towards payment of the monies hereby secured in such manner as the mortgagee may think fit; and secondly, to pay to the mortgagor such surplus, if any as shall remain; PROVIDED, and the mortgagor hereby covenants with the mortgagee that in case the monies realized from such use or sale be not sufficient to reimburse the mortgagee and repay the monies secured hereby, the mortgagor agrees forthwith to pay to the mortgagee such monies as may then be remaining due, together with interest thereon at the rate aforesaid.

**Performance of Covenants**

14. That the mortgagor shall not be entitled to a discharge of this mortgage until and unless the mortgagor shall have kept and performed all covenants, provisos, agreements and stipulations herein contained whether the mortgagee has taken legal proceedings thereon and recovered judgement or otherwise, and the mortgagor shall and will in everything do, perform and keep all of the provisions and covenants in these presents contained according to the true intent and tenor thereof.

**Non-Merger**

15. That the taking of a judgement or judgements under any of the covenants herein contained shall not operate as a merger of any covenant herein or affect the mortgagee's right to interest at the above rate on any monies due or owing to the mortgagee during the continuance of this security under the covenants herein contained on or any judgement to be recovered thereon.

**Partial Release**

16. That the mortgagee may release any part of the said lands at any time at its discretion either with or without any consideration thereof, without responsibility therefor, and without thereby releasing any other part of the said lands or any collateral security or any person from this mortgage or any surety from any of the covenants herein contained or contained in any collateral security.

**Assignment of Rents**

17. That in the event that the said lands or any part thereof are now leased or may at any time during the currency of this mortgage be leased by the mortgagor, all rentals now or hereafter payable to the mortgagor under any such lease are hereby assigned to the mortgagee as additional security for payment of the monies from time to time secured under this mortgage; PROVIDED that the mortgagee shall not make use of this assignment or give notice thereof to any lessee of the said lands or any part thereof unless and until the mortgagor shall have made default in payment of principal or interest or other monies becoming due or secured under this mortgage or in default of the observance or performance of any of the covenants, conditions, stipulations or provisos herein contained.

**Demolition of Building**

18. That the mortgagor will not remove or demolish the buildings now or hereafter erected upon the said lands, nor alter the design or structural character of any building now or hereafter erected upon the said lands or permit them to be used for a purpose other than that disclosed to the mortgagee when applying for this loan, unless the mortgagee shall first consent thereto in writing; and they will comply with all laws, ordinances regulations, covenants, conditions and restrictions affecting the said premises and will not suffer or permit any violation thereof.

**Other Security**

19. That the foreclosure or cancellation of, or any other dealing with, any other security for the monies advanced hereunder or secured hereby, shall not release or affect this mortgage, and that the taking of this mortgage, or the foreclosure or cancellation of or any other dealing with, or proceedings under this mortgage shall not release or affect any other security held by the mortgagee for the monies advanced hereunder or secured hereby.

**Discharge**

20. And it is agreed that the mortgagee shall have a reasonable time after payment in full of the monies due and owing by the mortgagor hereunder within which to deliver a discharge of this mortgage to the mortgagor.

**No Obligation to Advance**

21. That neither the execution nor the registration of this mortgage, nor the advance in part of the monies secured shall bind the mortgagee to advance the said monies or any of the unadvanced portion thereof, but nevertheless the lien and charge hereby created shall take effect forthwith on the execution of this mortgage, and the expenses of the mortgagee in negotiating the within loan, including the examination of financial statement of the Mortgagor, of any Indemnitor and of any guarantor, the inspection and evaluation of the said lands or any other collateral security, the making of the loan commitment, survey costs, legal costs, including solicitor and client costs, of, and incidental to taking, drawing and registering this mortgage and any and all other documents and securities in connection herewith and the examination of title to the said lands and other security and the maintenance of the mortgagee's charge thereon, shall be added to and become part of the principal hereby secured and shall be a charge on the said lands, and shall without demand thereof, be payable forthwith with interest at the rate provided for in this mortgage, and in default, the mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

**Renewal**

22. In the event that the mortgagee shall agree to renew or extend the term of this mortgage, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon the mortgagor, its successors in title and assigns, and all subsequent mortgages, encumbrances and other interests in or of the mortgaged premises (subsequent to this mortgage and together hereinafter called "Subsequent Encumbrances"), and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal or extension is filed or recorded by caveat at the applicable Land Titles office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this mortgage. The mortgagor shall, forthwith on request therefor by the mortgagee, provide to the mortgagee, at the mortgagor's expense, all such postponements and other assurances as the mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the mortgagor's expense (including without limitation payment of mortgagee's legal expenses on a solicitor-and-his-own-client basis). No such renewal or extension, even if made by a successor in title to the mortgagor named herein and whether or not the mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this mortgage as renewed or extended.

**More Than One Mortgagor**

23. That in the interpretation of this mortgage, the word "mortgagor" and all words depending thereon or relating thereto shall be read and construed as in the plural instead of the singular number, if there is more than one mortgagor named, and in such case all covenants herein contained shall be deemed to bind the mortgagor severally as well as jointly and that whenever the singular or the masculine pronoun is used throughout this mortgage the same shall be construed as meaning the plural or the feminine (or neuter in the case of a company) where the context or the parties hereto so require.

**Severability**

24. That in the event any one or more of the provisions contained in this mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the mortgagee be severable from and not affect any other provision of this mortgage, whereupon this mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

**Waiver**

25. That a waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the obligation secured by this mortgage shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms covenants, conditions and other provisions of this mortgage and of the obligations secured thereby shall survive and continue to remain in full force and effect.

- Attorn Rents** 26. That for the purpose of better securing the punctual payment of the principal and interest, the mortgagor hereby attorns and becomes tenant to the mortgagee of the said lands at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of principal, the legal relationship of landlord and tenant being thereby constituted between the mortgagee and the mortgagor to the extent permitted by the laws of the Province of Alberta.
- Prepaid Rent** 27. That the mortgagor will not accept any prepaid rent from any lessee or proposed lessee so long as the principal sum or any interest thereon remains unpaid but this covenant shall not apply to a deposit to be applied against the first month's rent or any monies to apply on not more than the last three month's rental of any such lease or proposed lease.
- Default Under Additional Security** 28. That if the mortgagor or any guarantor makes default under any other security now or hereafter granted by the mortgagor or any guarantor to the mortgagee as additional security for the due performance of the mortgagor's covenants hereunder, the same shall constitute default under this mortgage, and the mortgagee shall be at liberty to exercise its rights under this mortgage and under any one or more of the other securities, either successively or concurrently, to the same extent as if the time for payment of the principal sum hereby secured had fully come and expired.
- Due on Demand** 29. If the mortgagor makes default in the performance in any of the covenants or conditions contained in any prior mortgage or encumbrance secured upon the said lands then, the entire unpaid balance hereby secured together with interest shall at the option of the mortgagee become forthwith due and payable without notice or demand. The mortgagee shall be at liberty in case of such default to pay any arrears or other sums payable under the said mortgage or encumbrance or pay off all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the mortgagee shall:
- a. Be added to the amount hereby secured,
  - b. Bear interest at the stipulated rate until paid, be a charge upon the said lands, and
  - c. Unless repaid to the mortgagee upon demand shall be recoverable from the mortgagor in the same manner as if such sum had been originally secured hereby.
- Mode of Payments** 30. If required by the mortgagee:
- a. The mortgagor will make the aforesaid instalments together with such monies as may be required by the mortgagee for the payment of taxes by cheque and the mortgagor will deliver to the mortgagee at its head office aforesaid on or before the date on which the first instalment becomes payable herein, cheques post-dated on the dates the next instalments become due, for such portion of the calendar year as is required by the mortgagee and the mortgagor will deliver to the mortgagee from time to time as required by the mortgagee, a series of cheques post-dated for the period of time requested; nothing herein provided shall be construed as limiting the mortgagor's liability to pay such monies as may otherwise become due hereunder; or
  - b. The mortgagor will execute and deliver to the mortgagee an authorization directed to the mortgagor's bank, trust company or credit union to debit the mortgagor's account in the amount of the monthly mortgage payment and to provide to the mortgagee any other documentation that may be required by it to facilitate such authorization.
- Charge of Land** 31. That for the better securing to the mortgagee the repayment in manner aforesaid of the principal and interest and other charges and monies hereby secured and for the due performance by the mortgagor of the covenants, provisos and conditions herein expressed or implied the mortgagor does hereby mortgage to the mortgagee all the mortgagor's estate and interest in the said lands.



**Re-Advance**

32. Upon repayment to the Mortgagee of the original principal amount of this mortgage in whole or in part, the Mortgagor may from time to time, at the Mortgagee's option, borrow additional principal amounts, in which event, this mortgage will remain as security for all principal interest, and other amounts owing by the Mortgagor to the Mortgagee whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, it being agreed that this mortgage shall be a continuous charge deemed to be taken as security for the ultimate balance of the monies hereby secured.

**Condominium Lands**

33. In the event that this mortgage is registered against lands registered under the *Condominium Property Act of Alberta*, the Mortgagor covenants and agrees with the Mortgagee that, notwithstanding any other provision of these Standard Charge Mortgage Terms, each of the following provisions contained herein shall apply in respect of any condominium "unit" within the meaning of the *Condominium Property Act of Alberta* that comprises the whole or any part of the lands:

- a. "Condominium Corporation" as used herein means the Condominium Corporation of which the Mortgagor is a member by virtue of the ownership by the Mortgagor of the condominium unit being charged by the mortgage.
- b. The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote at meetings of the Condominium Corporation:
  - i. in all cases in which a unanimous resolution is required by the *Condominium Property Act of Alberta* as amended, the By-Laws of the Condominium Corporation or any Agreement with the Condominium Corporation;
  - ii. in all other cases other than as referred to in subclause (i) hereof, provided that in the event that the Mortgagee is either not present or present by proxy, or if present, does not wish to vote, then the Mortgagor may exercise the voting right without further authority.
- c. The Mortgagor does hereby covenant and agree to execute any documents which the Mortgagee may request the Mortgagor to execute, including but not limited to, proxies if required, in order to give effect to the assignment of the aforesaid voting rights of the Mortgagee.
- d. The Mortgagor agrees to observe and perform all covenants and provisions required to be observed and performed pursuant to:
  - i. the terms of the mortgage;
  - ii. the *Condominium Property Act of Alberta*, all amendments thereto, and any legislation passed in substitution thereof, and
  - iii. the By-Laws of the Condominium Corporation and amendments thereto.
- e. The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf or any assessment, instalment or payment due to the Condominium Corporation or upon breach of any covenant or provision hereinbefore in this paragraph contained, including those covenants or provisions referred to in clause (d) hereof, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of the mortgage and proceed to exercise its rights herein, and the Mortgagee may pay all monies owing to the Condominium Corporation and add such amount to the principal owing under the mortgage;

- f. Upon default herein, and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagor may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under any of the clauses herein contained.

**Environmental Warranties**

34. The Mortgagor warrants and represents that:

- a. No Hazardous Substances (as defined herein) have been or will be used, stored, processed, manufactured, handled or discharged in, on under or from the mortgaged premises (except as have been disclosed to and approved by the Mortgagee in writing);
- b. Neither the mortgaged premises nor, to the best of the Mortgagor's belief, any adjacent land(s) have ever been used as or for a waste disposal site or coal gasification site, and there are not now, nor were there ever, any underground storage tanks on the mortgaged premises;
- c. All permits, licences, certificates, approvals, authorizations, registrations or the like required by the Requirements of Environmental Law (as defined herein) for the operation of the Mortgagor's business on the mortgaged premises, or any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises, have been obtained and are valid, in full force and effect and in good standing;
- d. No environmental damage has ever occurred on, or will result from the Mortgagor's use of the mortgaged premises or any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises, and;
- e. There are no convictions (or prosecutions settled prior to conviction) or outstanding or threatened investigations, claims, work orders, notices, directives or other similar remedial actions against the mortgaged premises or the Mortgagor in relation to any Requirements of Environmental Law.

**Environmental Covenants**

35. The Mortgagor further covenants that it will:

- a. Remedy forthwith, at its own expense, any environmental damage that may occur or be discovered on the mortgaged premises in the future;
- b. Comply with and monitor, on a regular basis, its compliance and the compliance of any tenant, subtenant, assignee or other occupant of any portion of the mortgaged premises with all Requirements of Environmental Law;
- c. Notify the Mortgagee promptly of any event or occurrence that will, or is likely to, give rise to a report, order, inquiry or investigation relating to a matter that may have an adverse effect on the financial position of the Mortgagor or the mortgaged premises or any action, suit or proceeding against the Mortgagor or others having an interest in the mortgaged premises relating to, or a violation of the Requirements of Environmental Law, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into on or under the mortgaged premises, air and surface and ground water, and will also notify the Mortgagee promptly of any such above-mentioned information of which the Mortgagor has or receives knowledge relating to land(s) adjacent to the mortgaged premises;
- d. No lease or consent to any sublease of any part of the mortgaged premises to a tenant, subtenant or assignee who may engage in, nor permit any tenant, subtenant, assignee or occupant of the mortgaged premises to engage in, a business involving the generation of environmental contamination or the storing, handling, processing, manufacturing or disposing of Hazardous Substances in, on, under or from the mortgaged premises and any lease, sublease or assignment of any part of the mortgaged premises shall preserve against any lessee, sublessee or assignee all of the rights of the Mortgagee herein;

- e. Remove in accordance with all Requirements of Environmental Law, any Hazardous Substances from the mortgaged premises forthwith upon their discovery and advise the Mortgagee forthwith in writing of the procedures taken; and
- f. Provide to the Mortgagee upon request such information, certificates or statutory declarations as to compliance with the provisions hereof and all Requirements of Environmental Law and conduct upon request by the Mortgagee and deliver to the Mortgagee such environmental audits or site assessments as may be reasonably necessary to ensure compliance with the Requirements of Environmental Law.

The Mortgagor further covenants that it will be liable for and fully indemnify the Mortgagee, its officers, directors, employees, agents, shareholders and members, and agrees to hold each of them harmless, from and against any and all losses, liabilities, damages, costs, demand, expenses and claims of any and every kind whatsoever relating to any breach of non-compliance with laws or regulations by the Mortgagor or its directors, officers, servants, agents, tenants or invitees, or relating to any Hazardous Substances handled, placed, held, located or disposed of on or in the mortgaged premises or related to any claims or proceedings (whether by civil action or related to any enforcement or recovery action under statute or regulation) for injury or damages to person or property from or relating directly or indirectly to the use, presence, handling, disposal, escape or release of any Hazardous Substances on or from the mortgaged premises. Such Indemnity includes, without limitation, indemnity against:

- a. All costs (including legal expenses on a solicitor-and-his-own-client basis) of defending, counterclaiming and/or claiming against the Mortgagor or any third parties in respect of any action or matter; and
- b. Any and all costs, liabilities, claims or damages arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor, which at any time or from time to time may be paid, incurred or asserted against any of the parties indemnified hereby for, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the mortgaged premises or into or upon any land(s), the atmosphere; or any watercourse body of water or wetland, of any Hazardous Substances; and
- c. Any and all environmental remedial costs incurred by the Mortgagee directly or indirectly arising out of or attributable to the non-compliance of the Mortgagor with environmental laws, regulations or orders or to the presence on, under or about the mortgaged premises of Hazardous Substances.

That all such liability and Indemnity shall survive the repayment of or sale or foreclosure under this Mortgage and any other extinguishing of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

For the purposes hereof:

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, bylaws, ordinances, treaties, judgements and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental, or occupational health and safety matters and the mortgaged premises and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to:

- i. the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater);

- ii. the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and
- iii. Hazardous Substances, as defined herein.

"Hazardous Substances" means substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCBs") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.

**Construction  
Mortgage**

36. In the event the mortgage is a building or construction mortgage, it is the intention of the parties hereto that:
- a. The building or buildings being created or to be erected on the land(s) form part of the security for the full amount of the monies secured by the mortgage;
  - b. All advances on the mortgage are to be made from time to time in the future in accordance with the mortgagee's policy on interim advances and with the progress of construction of such building or buildings or upon its or their completion and occupation;
  - c. The Mortgagor will construct the building, buildings and other improvements on the land(s) in accordance with plans and specifications which have been or which may hereafter be approved by the Mortgagee, in accordance with applicable building codes, in accordance with the Mortgagee's construction standards, and will carry on diligently to completion the construction of the said building, buildings and other improvements, and will complete such construction in compliance with the requirements of all municipal and other governmental authorities, laws, bylaws or regulations, and will, when so required by the Mortgagee, supply the Mortgagee with evidence or confirmation from any such municipal or governmental authority of such compliance;
  - d. In the event that any such building, buildings and other improvements now or hereafter in the course of construction remain unfinished and without any work being done for a period of ten consecutive days, the Mortgagee may enter the land(s) and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Mortgagee may see fit, and any monies expended by the Mortgagee pursuant to this subclause shall be a charge on the land(s) and bear interest at the interest rate and shall be deemed to constitute part of the principal;
  - e. The Mortgagee shall be entitled, at the expense of the Mortgagor, to inspect all aspects of the construction and make tests of materials, and the Mortgagor will not cover any portion of the construction work requiring inspection by the Mortgagee until the Mortgagee has inspected the same, and the Mortgagor shall forthwith remedy and carry out again any work which does not conform to the Mortgagee's reasonable requirements;
  - f. The Mortgagee shall not be obliged to hold back advances to provide the lien fund or other protection to the Mortgagor under the *Builder's Lien Act of Alberta* or any other similar statutes (the "Act"); provided that if the Mortgagee holds back any advances in a manner similar to the way the said Act provides for an owner to make holdbacks the, notwithstanding such holdbacks by the Mortgagee, such holdbacks shall not constitute the lien fund under the said Act and the Mortgagee shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the said Act;



**Releasing the  
Original  
Borrower**

For high ratio insured mortgages:

This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

**Due on Sale**

In the event of a Transfer of the Mortgaged Premises, in whole or in part, or of any interests therein to a Transferee, if

- i. The Mortgagor fails to apply in writing for the approval of the Mortgagee as to the Transferee and the terms and conditions of the Transfer.
- ii. The Mortgagee does not approve in writing the Transferee.
- iii. The Mortgagee does not approve in writing the terms and conditions of the Transfer, or
- iv. The Transferee fails to enter into an assumption agreement satisfactory to the Mortgagee, agreeing to assume the Mortgage and any amendments thereto, and any collateral agreements and to pay the amount thereby secured and perform every covenant, condition and obligation contained in the Mortgage and any amendments thereto, and any collateral agreements, to be performed by the Mortgagor thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the Mortgage and any amendments thereof,

then, in any such case, the outstanding principal balance of the Mortgage shall, at the option of the Mortgagee, immediately become due and payable together with all accrued interest and other monies owing thereunder.

**SCHEDULE "B"**

ADJUSTABLE RATE CONVENTIONAL OR INSURED MORTGAGE

This schedule forms part of a mortgage (hereinafter the mortgage, all schedules thereto and any applicable standard form mortgage or standard charge or mortgage terms are collectively called the "Mortgage") between the Mortgagor(s), the party or parties, if any, identified in the Mortgage as the spouse(s) of the Mortgagor(s), the party or parties, if any, identified in the Mortgage as guarantor(s) (collectively, the "Mortgagor"), and Concentra Financial Services Association as the Mortgagee. If there is any conflict between any provision of this schedule and any other provision of the Mortgage, such provision of this schedule shall prevail.

**A. VARIABLE INTEREST RATE PROVISIONS**

1. The Mortgagor shall pay to the Mortgagee interest on the principal amount of the Mortgage outstanding, from time to time, and all other amounts owing under the Mortgage at a variable rate of interest per annum (herein called the "Mortgage Rate") calculated semi-annually not in advance, and payable both before and after default, maturity and judgment. The Mortgage Rate is equal to the Mortgagee's Prime Rate from time to time plus or minus an Incremental Rate. Prime Rate means the floating annual rate of interest established and recorded by the Mortgagee from time to time as a reference rate for purposes of determining rates of interest the Mortgagee will charge on loans denominated in Canadian dollars. On the 3rd day of February, 20 15, the Prime Rate was 2.85 % per annum. The Incremental Rate is plus 1 %. Therefore, on such date, the Mortgage Rate was 3.85 % per annum calculated semi-annually not in advance. This Mortgage Rate will remain in effect until there is a change in the Prime Rate.
2. If and whenever the Prime Rate varied by the Mortgagee, the Mortgage Rate will also be varied, effective on the first (1<sup>st</sup>) day of the month immediately following the month in which the variance in the Prime Rate comes into effect. The Mortgagee may, in its sole discretion, vary the Prime Rate at any time and from time to time.
3. Notice of any change in the Prime Rate may be given to the Mortgagor by posting a notice on the Mortgagee's website or by mailing the notice to the last known address of the Mortgagor as contained in the Mortgagee's records; and the change in the Prime Rate shall become effective notwithstanding failure of the Mortgagee to mail the statement or non-receipt of the statement by the Mortgagor.
4. When the Mortgage Rate changes, the amount of the blended monthly payment of principal and interest shall be recalculated by the Mortgagee, so that the then outstanding principal of the Mortgage shall be repaid over the remainder of the amortization period of the loan as at the date of such change in the Mortgage Rate. The remainder of the amortization period shall be equal to the original amortization period less the number of months that have elapsed since the Interest Adjustment Date. The "Interest Adjustment Date" is the date on which the term of the Mortgage commenced.

**B. PREPAYMENT PRIVILEGE**

Within fourteen (14) days after the effective date of any increase in the Mortgage Rate, the Mortgagor shall be entitled to prepay the whole amount outstanding without notice, bonus, penalty or fee. For the purpose of determining the total amount to be prepaid, interest from the effective date of such increase in the Mortgage Rate to the date of prepayment shall be calculated on the basis of the Mortgage Rate in effect immediately before such increase. If the Mortgagor does not prepay the whole amount outstanding within the fourteen (14) day period, the Mortgagor shall pay interest on the principal amount of the Mortgage at such increased Mortgage Rate from and after the effective date of the change in the Mortgage Rate until the effective date of the next following change in the Mortgage Rate or the end of the term, whichever shall first occur.

**C. DEFERRED INTEREST**

The amount of interest that has accumulated on the outstanding principal amount of the Mortgage from one regular payment to the next regular payment that exceeds the regular loan payment is called "deferred interest". Interest at the Mortgage Rate will be charged on deferred interest from and including such regular payment date. On the next following regular payment date, all interest that has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including that regular payment date at the Mortgage Rate. The Mortgagor may pay deferred interest to the Mortgagee by separate payment. The Mortgagor's regular instalment payments will not be applied to reduce

deferred interest. The total amount of deferred interest outstanding from time to time under the Mortgage may be obtained by contacting the Mortgagee.

D. OPTION TO CONVERT TO FIXED INTEREST RATE

The Mortgagor shall be entitled, when not in default under the Mortgage, to request an amendment to the Mortgage to convert the Mortgage Rate from a variable rate to a fixed interest rate, as determined by the Mortgagee, at the time of conversion, and to amend:

- (a) the term of the Mortgage to a term, as determined by the Mortgagee, that is not less than the then remaining term of the Mortgage; and
- (b) the amount of the instalments of principal and interest payable under the Mortgage, as determined by the Mortgagee, in accordance with the amendments to the Mortgage.

All such amendments shall be made under a mortgage renewal agreement in form and substance satisfactory to the Mortgagee which shall state the date on which the amendments take effect.

After exercise of this conversion option by the Mortgagor, the Mortgagor will no longer be entitled to exercise any prepayment rights contained herein, if any, and the prepayment terms and conditions of the Mortgage, as amended, shall prevail.

E. CALCULATION OF PAYMENT

Interest is calculated on the closing daily balance, using the following formula:

$$1 \text{ day's interest} = (\text{Mortgage Rate} \times \text{Principal}) / 365$$

Example: Interest on a principal balance of \$100,000 at 8.00% for 30 days would be:

$$(8.00\% \times 100,000) / 365 = \$21.91780 \text{ per day}$$

$$\$21.91780 \times 30 \text{ Days} = \$657.53$$



## SCHEDULE "A"

THAT the Mortgagor will pay to the Mortgagee, in lawful money of Canada, at the office of the Mortgagee in the Province of Saskatchewan set out above, the sum lent to the Mortgagor as aforesaid, together with interest thereon equal to the Prime Rate of Interest of the Mortgagee, declared from time to time, plus 1.00% per annum calculated yearly not in advance, as well after as before maturity, default or judgment until paid as follows:

- a. ON DEMAND, provided until demand is made by the Mortgagee the said principal and interest shall be paid by MONTHLY instalments of \$10,981.00 each, the first payment to be made on MARCH 31, 2015, and a like amount every MONTH thereafter until FEBRUARY 28, 2020, at which time the total amount owing (inclusive of principal and interest) has been paid;
- b. Each payment to be applied and credited firstly on interest at the time of payment and the balance on principal;
- c. The Mortgagor further acknowledges and agrees that the instalment payments may fluctuate according to the changes in the Prime Rate of Interest from time to time and agrees to pay the adjusted and fluctuating instalments and authorizes the Mortgagee to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time;
- d. The Mortgagor agrees that a certificate in writing signed by the Manager of the Mortgagee setting forth the Prime Rate of Interest at any time or times shall be conclusive evidence as to the said Prime Rate of Interest, payable by the Mortgagor;

At the date of the making of this Mortgage, the Prime Rate of Interest of the Mortgagee is 2.85% per annum.

## PREPAYMENT SCHEDULE "B"

This Schedule forms part of the Mortgage, or Mortgage Renewal, as the case may be between 1764239 ABERTA LTD. as Mortgagor(s), and Concentra Financial Services Association in trust for Innovation Credit Union as Mortgagee, dated the       day of       ,       ,("the Mortgage").

When not in default of any of the terms, covenants, conditions, or provisions of the Mortgage, the Mortgagor(s) may:

- (a) Prepay the whole or any part of the principal amount then outstanding, without notice or bonus, unless the Mortgagor(s) is receiving financing to make such payment, either directly or indirectly, from another lender or financial institution in which case the Mortgagor(s) shall pay an amount equal to 90 days interest on the amount so paid.
- (b) Notwithstanding any prepayment on account of principal, the regular installments due under the mortgage shall continue to be payable on each regular payment date, if any monies remain unpaid after the prepayment.

In addition the Mortgagor promises to pay any amounts that may be due and owing under any Cash Back Incentive or any other loan agreement between the Mortgagee and the Mortgagor. The terms of any such agreement are hereby incorporated into and form part of the Mortgage.

**AMENDMENT AGREEMENT – MORTGAGE**

Innovation Credit Union  
PO Box 1090 Stn Main  
 (Address)  
Swift Current, SK S9H 3X3  
 ("the Credit Union")

TO: 1764239 Alberta Ltd MORTGAGE  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 (the "Borrower(s)")  
 LOAN NUMBER 830511511974

CO-COVENANTOR: \_\_\_\_\_  
 \_\_\_\_\_  
 GUARANTOR: Brian Ostrander, Ostrander Family Holdings Ltd  
Judy Harwood

INSERT AMOUNT OF ORIGINAL MORTGAGE LOAN  
**WHEREAS** the Credit Union has lent the sum of \$ 1,817,250.00 to the Borrower evidenced and secured by:

COMPLETE MORTGAGE OR MORTGAGE & CHARGE UPON LANDS

- Mortgage from Borrower or Borrower and Guarantor dated February 16, 2015.
  - Mortgage and Charge Upon Lands dated \_\_\_\_\_.
- OR
- Mortgage from Guarantor only dated \_\_\_\_\_, \_\_\_\_\_ (complete paragraph 23).

**AND**

WHERE MORTGAGE AND CHARGE UPON LANDS OR MORTGAGE FROM GUARANTOR ONLY IS CHECKED, ALSO COMPLETE TYPE OF LOAN DOCUMENT FROM BORROWER

- Promissory Note dated \_\_\_\_\_.
- Loan Agreement dated February 16, 2015.
- Revolving Line or Credit OR Cyclical (Quick Loan) Agreement dated \_\_\_\_\_.

The Mortgage or Mortgage and Charge Upon Lands covers the following lands:

INSERT LEGAL DESCRIPTION

Plan 832LK, Block 1, excepting thereout all mines and minerals  
 Area: 0.938 Hectares (2.32 Acres) more or less

(collectively the "said loan").

CHECK IF ALSO HOLD PPSA

and Personal Property Security Agreement dated September 6, 2013.  
**WHEREAS** the balance outstanding on the said loan as at December 17, 2015 is the sum of \$ 1,781,975.63, including accrued interest, which is hereby acknowledged.

**WHEREAS** the Borrower has applied to have the terms of the said loan amended and the Credit Union has agreed to amend the terms of the said loan on and subject to the following terms and conditions:

**NOW THEREFORE**, in consideration of the Credit Union agreeing to amend the terms of the said loan, the Borrower acknowledges, covenants and agrees as follows:

1. INTEREST - Complete either (a) or (b) if rate changes from original loan rate

To pay interest on the said loan, calculated \_\_\_\_\_ not in advance from and after the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, as well after as before maturity, default or judgment, as follows:

FOR TERM MORTGAGES:

(a) (i) Fixed Rate: at the rate of \_\_\_\_\_ % per annum, or

COMPLETE ONE OF (i) or (ii)

(ii) Floating Rate: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum.

FOR MORTGAGES SECURING REVOLVING OR CYCLICAL CREDIT:

On all amounts advanced up to the authorized limit:

(b) (i) Fixed Rate: at the rate of \_\_\_\_\_ % per annum; or

COMPLETE ONE OF (i), (ii) or (iii)

(ii) Floating Rate: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum; or

(iii) Floating Rate with Minimum: at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus \_\_\_\_\_ % per annum provided such rate of interest shall not be less than \_\_\_\_\_ % per annum at any time.

At the date of making this agreement the Prime Rate of Interest of the Credit Union is \_\_\_\_\_ % per annum.

2. REPAYMENT- Complete one of (a) to (g) if terms of repayment are to change.

To pay the said loan, together with interest thereon, as follows:

(a) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest

DEMAND (INSTALMENTS UNTIL PAYMENTS IN FULL)

shall be paid by \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, (frequency) the first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like payment every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid.

(b) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the

INSTALMENTS UNTIL PAYMENTS IN FULL

(frequency) first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid.

(c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and Interest shall be paid by \_\_\_\_\_ 50 \_\_\_\_\_ instalments of \$ 10,981.00 \_\_\_\_\_ each, the first

DEMAND (INSTALMENTS UNTIL FIXED DATE)

(No. of Instalments) payment to be made on \_\_\_\_\_ January 31 \_\_\_\_\_, \_\_\_\_\_ 2016 \_\_\_\_\_, and a like amount every \_\_\_\_\_ month \_\_\_\_\_ thereafter until \_\_\_\_\_ February 28 \_\_\_\_\_, \_\_\_\_\_ 2020 \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

(d) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the

INSTALMENTS UNTIL FIXED DATE

(No. of Instalments) first payment to be made on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

(e) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ on account of the

PRINCIPAL PLUS INTEREST

(frequency) principal, plus accrued interest to date of payment of each instalment, the first payment to be due and paid on \_\_\_\_\_, \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND  
(INTEREST  
INSTALMENTS  
ONLY UNTIL  
FIXED DATE)

- (f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid \_\_\_\_\_, the first instalment of interest to be made on \_\_\_\_\_,  
(frequency)  
\_\_\_\_\_, and thereafter every \_\_\_\_\_, such payments to continue until  
\_\_\_\_\_, \_\_\_\_\_, at which time the total amount owing (inclusive of principal and  
interest) shall be paid.

- (g) OTHER

IF OTHER  
PAYMENT  
STATE HERE  
(E.G. ON  
DEMAND, OR  
LUMP SUM AT  
MATURITY)

For loans repayable with interest on the floating rate basis (prime plus), the installment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating instalments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

### 3. OVERDRAFT RATE

(In the event the said loan is a Revolving Line of Credit the following clause applies)

If, for any reason, advances exceed the Authorized Limit at any time the Borrower shall pay interest on all amounts exceeding the Authorized Limit (the "Overdraft Amount") as well after as before maturity, default or judgment at the rate applicable to overdrafts as declared from time to time by the Credit Union (the "Overdraft Rate"). The Overdraft Rate is payable on the Overdraft Amount for so long as the line of credit exceeds the Authorized Limit. The Overdraft Rate is posted at the Credit Union and identified in Statements or publications made available to the Borrower. A certificate signed by a representative of the Credit Union setting forth the applicable Overdraft Rate at any time shall be conclusive evidence as to the said rate.

### 4. COMPOUND INTEREST ON DEFAULT

On default of payment of any sum to become due for interest at any time appointed for payment compounded interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid compounded monthly.

### 5. NOMINAL RATE

The nominal rate method of interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any interest from time to time received hereunder.

### 6. ADVANCES AND DEPOSITS

All sums advanced the Borrower on a revolving or cyclical credit agreement shall be debited to the account and interest shall be charged thereon on the day of any such advance. All sums paid by the Borrower in payment of any advances or deposited in the Borrower's account shall be credited on the date of receipt of funds. All deposits to the account are a payment on the revolving or cyclical credit agreement and for the purpose of *The Personal Property Security Act* constitute a debtor initiated payment. If any cheques deposited to the account is subsequently dishonoured for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan. All such payments and deposits shall be applied and credited firstly on interest owing at the time of payment and the balance on principal.

### 7. SECURITY HELD AS CONTINUING SECURITY

The security hereby granted by the Borrower together with any substituted security that may be granted by the Borrower to the Credit Union in the future shall be held by the Credit Union as a continuing security for the payment and satisfaction of all debts and liabilities which are now or at any time here after due, owing or incurred by the Borrower under this agreement and notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again. The Borrower agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

**8. PERFORMANCE OF TERMS**

To observe and perform and fulfill all of the terms, covenants, conditions, provisos, and agreements contained in the said loan, and in any agreement provided as security for the said loan, or to secure repayment of the said loan.

**9. NO MERGER**

Nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the security for the said loan, and its enforceability or alter, affect or prejudice the rights and priorities of the Credit Union, all of which rights are hereby reserved as against:

- (a) any surety or co-covenantor or guarantor of the payment of the said loan or any part thereof;
- (b) any subsequent encumbrance or other person having any interest in or claim upon any property Mortgaged, pledge or assigned to the Credit Union;
- (c) the rights or any surety, co-covenantor, guarantor, subsequent encumbrancer or other person as against any collateral or additional security which the Credit Union may now or hereafter hold in respect of the said loan or any part thereof.

**10. AGREEMENT READ WITH SECURITY**

This agreement shall from the date hereof and without prejudice to the present state of the loan amount, be read and construed with the security therefore, and be treated as part thereof and for such purpose the said security agreements shall be regarded as hereby amended and the said loan and collateral security together with all terms, covenants and provisos thereof as so amended, as well as the Land Titles and Personal Property Security registrations pertaining to the said loan, shall be and continue to be in full force, virtue and effect and secure the amount remaining owing on the said loan. This agreement is intended to operate as an amendment agreement only, and not as a new loan or a novation to the said loan or any collateral security.

**11. SECTION 10 OF THE INTEREST ACT**

Where the amendment extends the term of the said loan, for the purposes of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

**12. DEFAULT**

Any default under this agreement shall be deemed to be a default under the said loan and collateral security and that upon such default the whole of this principal sum and all other monies payable under the terms of the said loan shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the said loan and collateral security.

**13. NO INCREASE TO LOAN OR LINE OF CREDIT LIMIT**

- (a) In the case of amendment to a term loan, it is acknowledged and agreed that no new money in addition to the money advanced under the said loan has been or will be advanced by the Credit Union to the Borrower as a result of the execution of this agreement.
- (b) In the case of amendments to a Revolving or Cyclical Credit, it is acknowledged that there is no increase to the authorized limit as a result of execution of this agreement, and the advances made hereafter in additional to the previous advances shall bear interest at the rate specified in Paragraph 1 hereof.

**14. EXECUTION OF ADDITIONAL DOCUMENTS**

The Borrower agrees to execute such further or other documents as may be required by the Credit Union to amend the said loan or any of the collateral security taken, with respect to the amount owing on the said loan.

**15. PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

**16. OBLIGATIONS, JOINT AND SEVERAL**

This agreement shall enure to the benefit of and be binding upon the parties herein, and their heirs, executors, administrators, successors and assigns, and all obligations and covenants shall be construed as both joint and several and shall enure to the benefit of the Credit Union, and its successors and assigns.

**17. PREAMBLE**

The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.

**18. ACKNOWLEDGEMENT AND WAIVER**

The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any financing or verification statement or other registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.

## 19. SECURING REVOLVING OR CYCLICAL CREDIT AGREEMENT

Where the security secures a Revolving Line of Credit or Cyclical (Quick Loan) Credit Agreements, the Borrower acknowledges and agrees: (a) that the security shall be a continuing security for the payment of all amounts advanced including interest, costs, charges and expenses which may become due and payable under the terms of the security notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter Incurred again; and (b) for the purposes of priority of advances as provided under *The Land Titles Act 2000*, the Mortgage, as amended, is and shall be considered a Mortgage that provides for readvances of credit up to a specific principal sum.

## 20. COLLECTION AND USE OF INFORMATION

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (a) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (b) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (c) administer, monitor and service the Borrower's account and collect the Borrower's loan;
- (d) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (e) comply with legal, security and regulatory requirements;
- (f) assist in dispute resolution;
- (g) understand the Borrower's needs and eligibility for products or services;
- (h) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers;

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus and other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provision of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose Information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such Information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such Information and the Borrower specifically directs and authorizes such entities to provide Information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use Information at any time in connection with the Borrower's loans, including enforcement purposes. The Credit Union may share and exchange Information with any guarantor of the loan. The Credit Union may use this Information for so long as it is needed for the purposes described. The Borrower understands that the Borrower can ask the Credit Union and its affiliates or service suppliers to stop using the Information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's Information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's Information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaged in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, Information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the Information through the laws of Canada and the United States.

## 21. PRIVACY

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of Information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

**22. AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the Co-covenantor's liability is joint and several with the Borrower.

**23. IF MORTGAGE FROM GUARANTOR ONLY**

CHECK APPLICABLE BOX

- The repayment terms and interest rate in the Mortgage from the Guarantor are also amended as stipulated.
- Only the repayment terms and interest rate in the credit agreement with the Borrower are amended. The repayment terms and interest rate in the Mortgage from the Guarantor are not amended.

**24. APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

**25. ADDITIONAL AMENDMENT TO LOAN OR SECURITY**

IF LOAN TO BE AMENDED FOR REASONS OTHER THAN INTEREST OR PAYMENTS, INCLUDE AMENDMENTS ON SCHEDULE 'A'

That the said loan and security be further amended as provided on Schedule "A" hereto.

IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 21st day of December, 2015.

**THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.**

WITNESS

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

SIGNATURE OF BORROWER(S)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF BORROWER IS A CORPORATION

1764239 Alberta Ltd  
Print Exact Name of Corporation

AFFIX CORPORATE SEAL HERE



C. S. By: [Signature]  
(Officer of Corporation)

C. S. By: \_\_\_\_\_  
(Officer of Corporation)

NAME	ADDRESS	POSTAL CODE
<u>1764239 Alberta Ltd</u>	<u>340-600 Crowfoot Cres NW Calgary, AB</u>	<u>T3G 0B4</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____



**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this agreement this \_\_\_\_\_ day of \_\_\_\_\_.

WITNESSES

SIGNATURE OF CO-COVENANTOR

\_\_\_\_\_  
\_\_\_\_\_

NAME

ADDRESS

POSTAL CODE

\_\_\_\_\_  
\_\_\_\_\_

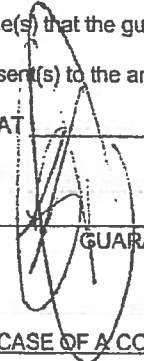
**GUARANTOR**

ACKNOWLEDGEMENT OF GUARANTOR(S)

The undersigned Guarantor(s):

1. Acknowledge(s) the Borrower has applied to amend the terms of the said loan;
2. Agree(s) that the guarantee applies and extends to the said loan as amended;
3. Consent(s) to the amendment to the said loan as set forth in this agreement.

DATED AT \_\_\_\_\_, this 21st day of December, 2015.

  
\_\_\_\_\_  
GUARANTOR

  
\_\_\_\_\_  
GUARANTOR

IN THE CASE OF A CORPORATE GUARANTEE, THE SEAL IS TO BE AFFIXED

NAME

ADDRESS

POSTAL CODE

Brian Ostrander, Ostrander Family Holdings 2125-1010 Arbour Lake Rd NW Calgary, AB T3G 4Y8

Judy Harwood RR 3 LCD Main Box 1 Site 318 Saskatoon S7K 3J6

**HOMESTEAD COMPLIANCE**

**CONSENT OF NON-OWNING SPOUSE**

I, \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, consent to the above disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the attached disposition in favour of the Credit Union to the extent necessary to give effect to the Amendment Agreement - Mortgage.

\_\_\_\_\_  
Signature of Non-owning Spouse

**CERTIFICATE OF ACKNOWLEDGEMENT (Required if non-owning spouse)**

I, \_\_\_\_\_, \_\_\_\_\_, (Indicate Capacity) \_\_\_\_\_, certify that I have

examined \_\_\_\_\_, non-owning spouse of \_\_\_\_\_ the owning spouse, in the above Amendment Agreement - Mortgage separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

- (a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
- (b) understand his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above Amendment Agreement - Mortgage and that I am not, nor is my employer, partner or clerk, otherwise interest in the transaction involved.

\_\_\_\_\_  
Signature

**HOMESTEAD AFFIDAVIT**

I, \_\_\_\_\_, of \_\_\_\_\_, make oath and say that :

- 1. I am the/a Borrower.
- 2. That my spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship. -OR-
- 2. That I have no spouse. -OR-
- 2. That my spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition. -OR-
- 2. That my spouse and I have entered into an interspousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his/her homestead rights in the land that is the subject matter of this disposition. -OR-
- 2. An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

Sworn before me at \_\_\_\_\_.)  
in the Province of \_\_\_\_\_.)  
this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.)  
\_\_\_\_\_.)

A COMMISSIONER FOR OATHS in and for the Province of Saskatchewan;

Being a Solicitor (or) \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**SCHEDULE "A" TO AMENDMENT AGREEMENT - MORTGAGE**

This Schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 21st day of December, 2015.

**PART A**

**(Complete if adding or changing paragraph to Mortgage)**

1. That the Mortgage document be amended by adding the following paragraphs: (Use additional schedule if more space required):

COMPLETE WHEN  
ADDING A  
PARAGRAPH OR  
PARAGRAPHS TO  
THE MORTGAGE

2. That the Mortgage document be amended by deleting the following paragraph(s):

COMPLETE WHERE A  
PARAGRAPH OR  
PARAGRAPHS  
OR MORTGAGE ARE  
TO BE DELETED  
AND REPLACED BY  
OTHERS

To be replaced by:

**PART B**  
**(Complete if adding land to the Mortgage)**

1. That the Mortgage document be amended by adding the following lands (the "additional land"):

INSERT  
DESCRIPTION  
OF LAND TO  
BE ADDED TO  
THE  
MORTGAGE

2. The additional land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the Mortgage document and the Amendment Agreement herein, and the credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands and the additional land in such order or in such manner or fashion as the Credit Union, is its sole discretion, sees fit.

**PART C**  
**(Complete if land is to be deleted from Mortgage and replaced by other land)**

1. That the Mortgage document be amended by deleting the following lands:

INSERT  
DESCRIPTION OF  
LAND TO BE  
DELETED FROM  
THE MORTGAGE

To be replaced by the following specific land:

INSERT  
DESCRIPTION OF  
LAND TO BE  
INSERTED IN THE  
MORTGAGE

(The land herein to be referred to as the "substituted land" or "substituted security")

2. The substituted land shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original lands not deleted or released or the substituted land in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
3. It is agreed that the Credit Union will release and discharge the land from the said loan only if and when the substituted security shall be registered, protected or perfected as the case may be subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

**PART D**

(Complete if adding or changing paragraph in the Security Agreement or adding security to Security Agreement)

1. That the said loan or Security Agreement be amended by adding the following paragraphs:

COMPLETE WHEN  
ADDING A  
PARAGRAPH OR  
PARAGRAPHS TO  
THE LOAN OR  
SECURITY  
AGREEMENT

2. That the said loan or Security Agreement be amended by deleting the following paragraphs:

COMPLETE WHERE  
PARAGRAPH OR  
PARAGRAPHS OF  
THE LOAN OR  
SECURITY  
AGREEMENT ARE TO  
BE DELETED AND  
REPLACED BY  
OTHERS.

To be replaced by:

3. That the Security Agreement is to be amended by adding the following specific security, to which the security interest extends and attaches:

INSERT  
DESCRIPTION OF  
NEW SECURITY

**PART E**

(Complete if specific collateral to be exchanged in Security Agreement)  
eg. exchanging specific vehicles

1. That the said Security Agreement be amended by deleting the following specific security (collateral):

INSERT  
DESCRIPTION  
OF  
COLLATERAL  
TO BE  
DELETED  
FROM  
SECURITY  
AGREEMENT

To be replaced by the following security, to which the security interest extends and attaches:

INSERT  
DESCRIPTION  
OF  
COLLATERAL  
TO BE ADDED  
TO THE  
SECURITY

together with all Proceeds including but not limited to: goods, chattel paper, investment property, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destructions of or dealing with the collateral.

(The collateral herein to be referred to as the "substituted security" or "substituted collateral".)

2. That the Security Agreement be further amended by adding the following paragraphs (clauses):
  - (a) The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not deleted or released or in the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
  - (b) It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.

**PART F**

(Complete if Security to be substituted eg. Equipment for Accounts Receivable)

1. The following security for the said loan shall be released and discharged:

INSERT  
DESCRIPTION  
OF SECURITY  
TO BE  
RELEASED

To be replaced by the following security to which the security interest extends and attaches:

INSERT  
DESCRIPTION  
OF SECURITY  
TO BE ADDED

together with Proceeds including but not limited to: goods chattel paper, investment property, documents of title, instruments, money, intangibles, insurance and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral, hereafter referred to as the "substituted security".

2. The substituted security shall stand charged with and secure the balance owing on the said loan in accordance with and on the terms and covenants of the said loan and Amendment Agreement herein, and the Credit Union shall have the right to realize on all or any of the security for the said loan, including any original security not released or the substituted security in such order or in such manner or fashion as the Credit Union, in its sole discretion, sees fit.
3. It is agreed that the Credit Union will release and discharge the security only if and when the substituted security shall be executed and registered or perfected as the case may be, subject to any encumbrances as the Credit Union may accept at the time of registration or perfection.
4. Nothing herein shall in any way affect or discharge the security not release herein or in any way release the Borrower from payment of the monies owing on the said loan.

**AMENDMENT AGREEMENT – MORTGAGE  
(FOR USE WHEN READVANCING ON MORTGAGE)**

\_\_\_\_\_  
 Innovation Credit Union  
 \_\_\_\_\_  
 PO Box 1090 Stn Main  
 (Address)  
 \_\_\_\_\_  
 Swift Current, SK S9H 3X3  
 (the "Credit Union")

TO: 1764239 Alberta Ltd MORTGAGE LOAN NUMBER 830511511974

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 (the "Borrower")

CO-COVENANTOR:  
 \_\_\_\_\_  
 \_\_\_\_\_

GUARANTOR:  
Brian Ostrander, Ostrander Family Holdings Ltd  
Judy Harwood

**WHEREAS:**

INSERT AMOUNT  
 OF ORIGINAL  
 MORTGAGE LOAN  
 AND MORTGAGE  
 DATE

1. The Borrower has executed a Mortgage in favour of the Credit Union for the principal sum of \$ 1,817,250.00, dated February 16, 2015, covering the following lands:

INSERT LEGAL  
 DESCRIPTION

Plan 832LK, Block 1, excepting thereout all mines and minerals  
 Area: 0.938 Hectares (2.32 Acres) more or less

(the "Mortgage")

INSERT BALANCE  
 OWING, INCLUDING  
 ACCRUED  
 INTEREST

2. The balance owing on the Mortgage as at May 20, 2016 is the sum of \$ 1,801,996.86, including accrued interest, which is hereby acknowledged;
3. The Borrower has requested a readvance in the sum of \$ 42,649.90 (the "readvance") on the Mortgage and the Credit Union has agreed to make such readvance subject to the following terms and conditions:

NOW THEREFORE, in consideration of the Credit Union agreeing to readvance sums under the Mortgage, the Borrower covenants and agrees as follows:

1. **ADVANCES**

The present balance owing, as well as the readvance, shall be treated and considered to be amounts advanced under the Mortgage and all such amounts shall be due and payable and bear interest as provided herein.

2. **CONTINUING CHARGE**

The Mortgage shall be a continuing security and charge for the payment of all amounts advanced under the Mortgage including the readvance and interest, costs, charges and expenses which may become due and payable under the terms of the Mortgage, notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness and any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

3. **INTEREST - Complete if rate changes from original Mortgage rate.**

INSERT CALCULATION FREQUENCY (I.E. ANNUALLY OR SEM-ANNUALLY)

To pay interest on the Mortgage calculated yearly not in advance from and after the \_\_\_\_\_ day of May, 2016, as well after as before maturity, default or judgment, as follows:

COMPLETE ONE OF (i) OR (ii)

- (i) at the rate of \_\_\_\_\_ % per annum, or
- (ii) at the rate of interest equal to the Prime Rate of Interest of the Credit Union declared from time to time, plus 1.0 % per annum.

CURRENT PRIME RATE

At the date of making this agreement the Prime Rate of Interest of the Credit Union is 2.70 % per annum.

4. **REPAYMENT - Complete one of (a) to (g) if terms of repayment are to change.**

To pay the said Mortgage, together with interest thereon, as follows:

DEMAND (INSTALLMENTS UNTIL PAYMENT IN FULL)

(a) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by \_\_\_\_\_ Instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_ (frequency) \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid. (frequency)

INSTALLMENTS UNTIL PAYMENT IN FULL

(b) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_ (frequency) \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until the total amount owing (inclusive of principal and interest) has been paid. (frequency)

DEMAND (INSTALLMENTS UNTIL FIXED DATE)

(c) ON DEMAND; provided until demand is made by the Credit Union, the said principal and interest shall be paid by 44 instalments of \$ 11,256.00 each, the first payment to be made on June 30, 2016 and a like amount every month thereafter until February 29, 2020, at which time the total amount owing (inclusive of principal and interest) shall be paid. (frequency)

INSTALLMENTS UNTIL FIXED DATE

(d) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ each, the first payment to be made on \_\_\_\_\_ (No. of Instalments) \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_ (frequency) \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

PRINCIPAL PLUS INTEREST

(e) By \_\_\_\_\_ instalments of \$ \_\_\_\_\_ on account of the principal, plus accrued interest to date of payment of each instalment, the first payment to be due and paid on \_\_\_\_\_ (frequency) \_\_\_\_\_, and a like amount every \_\_\_\_\_ thereafter until \_\_\_\_\_ (frequency) \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.

DEMAND (INTEREST INSTALLMENTS ONLY UNTIL FIXED DATE)

(f) ON DEMAND; provided until demand is made by the Credit Union, interest shall be paid \_\_\_\_\_ (frequency) the first instalment of interest to be made on \_\_\_\_\_, and thereafter every \_\_\_\_\_, such payments to continue until \_\_\_\_\_, at which time the total amount owing (inclusive of principal and interest) shall be paid.



IF OTHER  
REPAYMENT  
STATE HERE  
(E.G.: ON  
DEMAND, OR  
LUMP SUM AT  
MATURITY)

(g) OTHER

Except as otherwise expressly agreed to by the Credit Union all payments or deposits shall be applied and credited firstly to Interest and the balance to principal. For loans repayable with Interest on the floating rate basis (prime plus), the Instalment payments may fluctuate according to changes in the Prime Rate of Interest of the Credit Union from time to time, and the Borrower agrees to pay the adjusted and fluctuating instalments and authorizes the Credit Union to adjust automatic debits to reflect the changes in the Prime Rate of Interest from time to time.

5. **ORIGINAL SECURITY TO APPLY**

All terms and conditions set forth in the Mortgage and collateral security thereto, except as may be amended by this agreement, or any previous amendment agreement, shall continue in full force and effect and nothing herein contained is intended to or shall have the effect of discharging, merging, replacing or rendering unenforceable the Mortgage or any collateral security taken thereto, and the Mortgage shall be read and construed as though the above provisions had been inserted therein.

6. **SECTION 10 OF THE INTEREST ACT**

Where the amendment extends the term of the Mortgage, for the purposes of Section 10 of the *Interest Act* the date of the Mortgage is deemed to be the date of this agreement.

7. **DEFAULT**

Any default under this agreement shall be deemed to be a default under the said Mortgage and collateral security and that upon such default the whole of the principal sum and all other monies payable under the terms of the Mortgage shall, at the option of the Credit Union, become immediately due and payable and the Credit Union, at its sole option, may enforce all rights and remedies under the Mortgage and collateral security.

8. **AGREEMENT CONSTRUED WITH OTHER AGREEMENTS**

It is further agreed that this agreement shall, from the date hereof and without prejudice to the present state of the Mortgage amount, be read and construed with the Mortgage and any collateral security thereto, and be treated as part thereof, and for such purposes the Mortgage and collateral security shall be regarded as thereby amended and the said Mortgage and collateral security together with all covenants and provisos thereof as so amended, shall continue to be in full force, virtue and effect, and secure all advances under the Mortgage.

9. **NO MERGER OR DISCHARGE**

It is further agreed that nothing herein shall in any way create any merger of or alter, affect, discharge or prejudice the Mortgagee's right as against any surety, guarantor or co-covenantor for payment of the Mortgage loan or any part thereof, or as against any subsequent encumbrancer or other person having an interest in or claiming against the land, all of which rights are hereby reserved.

10. **PROVISIONS SEVERABLE**

Each provision of this agreement is distinct and severable. If any provision is found to be invalid or unenforceable, in whole or in part, the determination will only affect that provision and will not affect the validity or enforceability of the remaining provisions of this agreement.

11. **HEADINGS**

The descriptive headings of this agreement are included for convenience only and do not form part of the covenants, provisos and agreements herein contained.

12. **AGREEMENT TO BIND HEIRS, ETC.**

This agreement shall enure to the benefit of and be binding upon each of the persons named herein, and each of their heirs, executors, administrators, successors and assigns, and shall be construed as both joint and several and shall enure to the benefit of the Credit Union, its successors and assigns.

13. **NOMINAL RATE**

The nominal rate method of Interest calculation shall apply to the calculation and payment of interest under this agreement and the Credit Union shall not be deemed to reinvest any Interest from time to time received hereunder.

14. **PREAMBLE**

The Borrower acknowledges and agrees that the Preamble to this agreement is incorporated into and forms part of this agreement.

15. **ACKNOWLEDGEMENT AND WAIVER**

The Borrower acknowledges having read the terms and conditions herein and having received a copy of this agreement. The Borrower hereby waives the requirement of being provided with a copy of any statement or registration pertaining to this agreement or the security held for this agreement or any renewal or discharge thereof, and expressly agrees that the Credit Union shall not be obliged to provide the Borrower with a copy of any such statements or other registration.

16. **EXTENSION OR AMENDMENT AGREEMENT NEED NOT BE REGISTERED**

Any agreement for extension of the term of the Mortgage, or any agreement amending the provisions of the Mortgage including inter alia increasing or decreasing the rate of interest payable hereunder or in connection with any readvance on the Mortgage, prior to the execution of a discharge of this Mortgage by the Credit Union need not be registered in any Land Registry. If, upon the expiry of any term, the Credit Union offers to extend the term of this Mortgage and the Borrower fails to execute an extension agreement as required, the Credit Union may prescribe the terms of renewal or extension (which will include extending the term for a further period of one year and prescribing the rate of interest payable on the outstanding balance at the then prevailing Credit Union's one year open Mortgage rate) and such terms shall be deemed to apply and be in force and effect as against the Borrower as of the commencement date of the renewal or extended term. The Mortgage, as amended, and all terms, covenants, and provisions shall continue in full force and effect and nothing contained in any extension or amendment agreement shall have the effect of discharging, merging, replacing or rendering unenforceable this Mortgage as security unless the agreement so states.

17. **CORPORATE WAIVER**

And it is further agreed that the following paragraph applies only if the Borrower is a corporate body, in which case the Borrower also covenants and agrees with the Credit Union:

- (a) That *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, with respect to this agreement;
- (b) That *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this agreement, or charge or other security for the payment of money made, given or created by this agreement or any agreement renewing or extending this agreement and shall in no way limit the rights, powers or remedies of the Credit Union granted herein.

18. **READVANCES**

In the event the Mortgage does not already specify then the following provision shall be added to the mortgage terms and the Mortgage shall be considered as hereby amended:

When not in default, the Borrower may request, and the Credit Union may, in its absolute and sole discretion, re-advance any principal portion of the within mortgage loan which has been repaid by the Borrower to the Credit Union, but only to the extent that the principal balance outstanding after such readvance shall not exceed the amount of the principal sum secured. The Borrower agrees that notwithstanding that the Mortgage may be reduced and readvances made, this Mortgage secures all sums ultimately due and owing by the Borrower to the Credit Union in respect of this Mortgage, including any readvancement of principal monies made by the Credit Union to the Borrower at any time. No change to the terms of repayment, the obligations of the Borrower, or the manner of payment or the amount of interest shall operate as a release or discharge of this Mortgage.

19. **COSTS**

The Borrower shall be responsible for all costs and expenses incurred by the Credit Union in connection with this amendment including, without limitation, legal fees as between solicitor and own client and registration fees if any. If the Borrower does not pay any such charges promptly upon demand, the Credit Union may charge such costs and expenses to the Mortgage and interest shall be payable thereon at the same rate as that payable on the principal sum.

20. **COLLECTION AND USE OF INFORMATION**

The Borrower understands and acknowledges that the Credit Union will be collecting and gathering personal, financial and credit information from and about the Borrower (Information) to:

- (i) obtain credit reports and evaluate the Borrower's credit rating and credit worthiness;
- (ii) determine the Borrower's financial situation and make decisions about loan or credit applications;
- (iii) administer, monitor or service the Borrower's account and collect the Borrower's loan;
- (iv) administer and manage security and risk in relation to the Borrower's loan and any of the Borrower's accounts and the financial services provided to the Borrower;
- (v) comply with legal, security and regulatory requirements;
- (vi) assist in dispute resolution;
- (vii) understand the Borrower's needs and eligibility for products or services;
- (viii) offer and provide the Borrower with the other products and services of the Credit Union and of its affiliates and service suppliers.

The Borrower understands the Credit Union requires and may use the Borrower's Social Insurance or Business Number as may be applicable as an aid to identify the Borrower with credit bureaus or other financial institutions for credit matching purposes or for income tax reporting purposes. The Borrower also understands that the provisions of the Borrower's Social Insurance Number for credit matching purposes is optional and is not a condition of service.

The Borrower understands that the Credit Union needs my consent to collect, use and disclose information gathered about the Borrower except when the law allows the Credit Union to do so without the Borrower's consent. For that purpose, the Borrower authorizes, consents to, and accepts this as written notice of the Credit Union obtaining, gathering, copying, scanning, updating, disclosing, sharing or exchanging such information about the Borrower at any time for the purposes described including from or with any credit bureau, government agency, credit grantor or other entity in possession of such information and the Borrower specifically directs and authorizes such entities to provide information at the Credit Union's request. The Credit Union is also authorized to continually update, obtain and use information at any time in connection with the Borrower's loan, including enforcement purposes. The Credit Union may share and exchange information with any guarantor of the loan. The Credit Union may use this information for so long as it is needed for the purpose described. The Borrower understands that the Borrower can ask the Credit Union to stop using the information to offer other products or services at any time.

The Borrower also understands that the Borrower may ask the Credit Union to stop using the Borrower's Social Insurance Number for credit matching purposes at any time. The Borrower understands it is necessary to keep the Borrower's information current and the Borrower agrees to notify the Credit Union of any changes in the Borrower's information.

For the purpose of this authorization, Credit Union affiliates and service suppliers mean Credit Union affiliates and service suppliers that are engaging in the business of providing services or products to the public in Canada including, but not limited to, deposits, financing arrangements, credit, charge and payment card services, trust and custodial services, securities and brokerage services, insurance services, electronic services, information and technology services, educational and consulting services.

To assist in providing financial services, the Credit Union may use service providers located in the United States. In the event that a service provider is located in the United States, information may be processed and stored in the United States and United States governments, courts or law enforcement or regulatory agencies may be able to obtain disclosure of the information through the laws of Canada and the United States.

21. **PRIVACY**

Credit Union and Privacy legislation prescribe and restrict the use of personal, financial or credit information (Information) without consent. To obtain details about Credit Union policies and procedures for protecting privacy of information and Customer rights please contact the Credit Union, Attention: Privacy Officer.

22. **AGREEMENT OF CO-COVENANTOR**

The Co-covenantor agrees to be responsible for and repay the loan in accordance with the terms of this agreement and that the co-covenantor's liability is joint and several with the Borrower.

23. **APPLICABLE LAW**

This agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.

24. **OTHER AMENDMENTS**

That the Mortgage and collateral security be further amended as provided on Schedule "A" hereto.

IN WITNESS WHEREOF, the Borrower has signed, sealed and delivered this agreement, this 25 day of May, 2016.

THIS FORM CONTAINS AN AUTHORIZATION TO SHARE AND EXCHANGE INFORMATION AND, UNLESS THE BORROWER HAS ASKED THE CREDIT UNION NOT TO DO SO, USE A SOCIAL INSURANCE NUMBER FOR CREDIT MATCHING PURPOSES.

WITNESSES

IF BORROWER IS AN INDIVIDUAL OR PARTNERSHIP

Signature of Borrower(s)

_____	_____
_____	_____
_____	_____

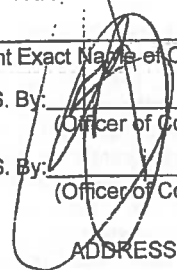
AFFIX  
CORPORATE  
SEAL HERE



IF BORROWER IS A CORPORATION

1764239 Alberta Ltd

Print Exact Name of Corporation

C.S. By:   
(Officer of Corporation)

C.S. By: \_\_\_\_\_  
(Officer of Corporation)

NAME

ADDRESS

POSTAL CODE

1764239 Alberta Ltd

815 East Lake Blvd NE Airdrie, AB

T4A 2G4

_____	_____	_____
_____	_____	_____
_____	_____	_____

**CO-COVENANTOR**

IN WITNESS WHEREOF the Co-Covenantor has signed, sealed and delivered this agreement this \_\_\_\_\_ day of \_\_\_\_\_.

**WITNESSES**

Signature of Co-Covenantor

\_\_\_\_\_  
\_\_\_\_\_

NAME

ADDRESS

POSTAL CODE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**GUARANTOR**

GUARANTOR(S) AGREEMENT

The undersigned Guarantor(s):

1. Acknowledge(s) the Borrower has applied for and requests the readvance on the Mortgage;
2. Acknowledge(s) the Credit Union is prepared to make the readvance on the Mortgage on the understanding and condition that:
  - a. where the existing Guarantee is for a specific loan only a new Guarantee will be executed in connection with the readvance, such guarantee to apply and extend to the present balance owing and any readvance on the Mortgage; and
  - b. where the existing Guarantee is a Guarantee and Postponement of Claim that the existing Guarantee applies and extends to the readvance;
3. Consent(s) to the readvance and the amendment to the Mortgage as set forth in this agreement.

DATED AT Swift Current, this 25 day of May, 2016.

Guarantor

Guarantor

IN THE CASE OF A CORPORATE GUARANTEE THE SEAL IS TO BE AFFIXED

NAME

ADDRESS

POSTAL CODE

<u>Brian Ostrander, Ostrander Family Holdings</u>	<u>2125-1010 Arbour Lake Rd NW Calgary, AB</u>	<u>T3G 4Y8</u>
<u>Judy Harwood</u>	<u>RR 3 LCD Main Box 1 Site 318 Saskatoon</u>	<u>S7K 3J6</u>
_____	_____	_____
_____	_____	_____

HOMESTEAD COMPLIANCE

CONSENT OF NON-OWNING SPOUSE

I, \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, consent to the above disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the attached disposition in favour of the Credit Union to the extent necessary to give effect to the Amendment Agreement - Mortgage.

\_\_\_\_\_  
Signature of Non-Ownning Spouse

CERTIFICATE OF ACKNOWLEDGEMENT  
(Required if non-owning spouse)

I, \_\_\_\_\_, \_\_\_\_\_, (Indicate Capacity) \_\_\_\_\_, certify that I have examined \_\_\_\_\_, non-owning spouse of \_\_\_\_\_, the owning spouse, in the above Amendment Agreement - Mortgage separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

- a. signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
- b. understand his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above Amendment Agreement - Mortgage and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

\_\_\_\_\_  
Signature

HOMESTEAD AFFIDAVIT

I, \_\_\_\_\_, of \_\_\_\_\_, make oath and say that:

- 1. I am the/a Borrower.
- 2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship.  
- or -
- 2. I have no spouse.  
- or -
- 2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.  
- or -
- 2. My spouse and I have entered into an interspousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.  
- or -
- 2. An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

SWORN before me at \_\_\_\_\_ in the Province )  
of \_\_\_\_\_ this \_\_\_\_\_ day of )  
\_\_\_\_\_, \_\_\_\_\_ )  
\_\_\_\_\_) )  
\_\_\_\_\_)

A COMMISSIONER FOR OATHS in and for the Province of  
Saskatchewan; Being a Solicitor (or) \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ of \_\_\_\_\_ in the Province of Saskatchewan, the  
(Name of Guarantor) (City/Town)  
Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF  
SASKATCHEWAN

**STATEMENT OF GUARANTOR**

I am the person named in the certificate. \_\_\_\_\_

**ACKNOWLEDGEMENT OF GUARANTOR  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ of \_\_\_\_\_ in the Province of Saskatchewan, the  
(Name of Guarantor) (City/Town)  
Guarantor in this Amendment Agreement - Mortgage which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantor(s) Agreement.
2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantor(s) Agreement and understands it.
3. I have not prepared any documents on behalf of the Credit Union relating to the transaction and I am not otherwise interested in the transaction.
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

GIVEN AT \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ under my hand and seal of office.

(SEAL REQUIRED WHERE  
NOTARY PUBLIC SIGNS  
CERTIFICATE.)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF  
SASKATCHEWAN

**STATEMENT OF GUARANTOR**

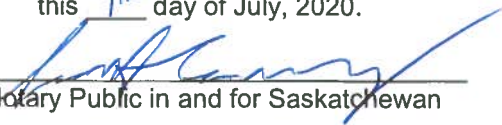
I am the person named in the certificate. \_\_\_\_\_

SCHEDULE "A" TO AMENDMENT AGREEMENT - Mortgage

This schedule forms part of and is incorporated into the Amendment Agreement - Mortgage dated the 25 day of May, 2016.



This is Exhibit 9 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024

Search ID #: Z12782142

**Transmitting Party**

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

Party Code: 50017904  
Phone #: 403 268 7000  
Reference #: 574391-2

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Exact Result(s) Only Found

**NOTE:**

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



Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 13090636848

Registration Date: 2013-Sep-06

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Sep-06 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

16081728369

Renewal

2016-Aug-17

---

**Debtor(s)**

**Block**

1 1764239 ALBERTA LTD.  
954 - 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

**Status**  
Current

**Secured Party / Parties**

**Block**

1 INNOVATION CREDIT UNION  
198 FIRST AVE N.E.  
SWIFT CURRENT, SK S9H 2B2

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1 ALL PRESENT AND AFTER ACQUIRED PROPERTY OF THE DEBTOR

**Status**  
Current

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 16040809314

Registration Date: 2016-Apr-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2021-Apr-08 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 1764239 ALBERTA LTD  
954 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

Current

**Block**

**Status**

2 CLARION HOTEL & CONFERENCE CENTRE  
954 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

Current

**Block**

**Status**

3 OSTRANDER FAMILY HOLDINGS LTD.  
1010-2125 ARBOUR LAKE ROAD NW  
CALGARY, AB T3G 4Y8

Current

**Secured Party / Parties**

**Block**

**Status**

1 BODKIN CAPITAL CORPORATION  
102-1465 NORTH SERVICE RD E  
OAKVILLE, ON L6H 1A7

Current

Search ID #: Z12782142

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	PURSUANT TO LEASE AGREEMENT 89440, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 89440 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: (2) GRUNDFOS, MAGNA 3 INLINE PUMPS, 2 SMITH VERTICAL TANK, INSULATED STORAGE TANK.	Current

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 16060909330

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Jun-09

Registration Status: Current

Expiry Date: 2021-Jun-09 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 1764239 ALBERTA LTD  
954 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

Current

**Block**

**Status**

2 CLARION HOTEL & CONFERENCE CENTRE  
954 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

Current

**Block**

**Status**

3 SWIFT HOTELS GROUP LTD.  
954 7 STREET SW  
MEDICINE HAT, AB T1A 7R7

Current

**Secured Party / Parties**

**Block**

**Status**

1 BODKIN CAPITAL CORPORATION  
102-1465 NORTH SERVICE RD E  
OAKVILLE, ON L6H 1A7

Current

Search ID #: Z12782142

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	PURSUANT TO LEASE AGREEMENT 90038, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 90038 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: VARIOUS HOTEL HAND RAILINGS AND SIGNS	Current

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 16090733295

Registration Date: 2016-Sep-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2021-Sep-07 23:59:59

---

Exact Match on: Debtor No: 2

---

**Amendments to Registration**

16090823393

Amendment

2016-Sep-08

---

**Debtor(s)**

**Block**

1 SWIFT HOTELS GROUP LTD  
105 GEORGE STREET  
SWIFT CURRENT, SK S9H0K4

**Status**

Deleted by  
16090823393

**Block**

2 1764239 ALBERTA LTD  
954 7TH STREET  
MEDICINE HAT, AB T1A7R7

**Status**

Current

**Block**

3 1885731 ALBERTA LTD  
815 EAST LAKE BLVD  
AIRDRIE, AB T4A2G4

**Status**

Current

---

**Secured Party / Parties**

**Block**

1 BLUE CHIP LEASING CORPORATION  
156 DUNCAN MILL RD, UNIT 16  
TORONTO, ON M3B3N2

**Status**

Current



Search ID #: Z12782142

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	1 - ETHER 232 DUO, 1 - SMX 750 SMART-UPS 750VA/60, 4 - 4 PLUS 12 PORT COMBO, 4 - 24 PORT ONSP CARD, 1 - 5540 IP CONSOLE, 1 - PWR CRD C13 10A 125V, 2 - 5340E IP PHONE, 1 - AX CONTROLLER, 1 - SX-200 AX SW 4G SSD, 1 - SF300 8 PORT SWITCH AND ALL ACCESSORIES AND ALL IP PHONE EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE #45970 (70235) BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF.	Deleted By 16090823393
2	1 - AO SMITH BRTC251 WATER HEATER S/N:1546M000542, 1 - ETHER 232 DUO, 1 - SMX 750 SMART-UPS 750VA/60, 4 - 4 PLUS 12 PORT COMBO, 4 - 24 PORT ONSP CARD, 1 - 5540 IP CONSOLE, 1 - PWR CRD C13 10A 125V, 2 - 5340E IP PHONE, 1 - AX CONTROLLER, 1 - SX-200 AX SW 4G SSD, 1 - SF300 8 PORT SWITCH AND ALL IP PHONE EQUIPMENT AND HEATER EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE #45970 (70235) BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF.	Current By 16090823393

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

Registration Number: 19011010054

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2019-Jan-10

Registration Status: Current

Expiry Date: 2021-Jan-10 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 180324346

Judgment Date is 2018-Nov-21

This Writ was issued on 2018-Nov-21

Type of Judgment is Crown

Original Judgment Amount: \$259,335.32

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$261,460.91

Exact Match on:

Debtor

No: 1

**Solicitor / Agent**

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA  
6TH FL WEST HAULTAIN BLDG;9811 109 ST  
EDMONTON, AB T5K 2L5

Phone #: 780 644 4230

Fax #: 780 644 4924

**Debtor(s)**

**Block**

**Status**

Current

1 1764239 ALBERTA LTD  
954 7 STREET SW  
MEDICINE HAT, AB T1A7R7

**Creditor(s)**

**Block**

**Status**

Current

1 HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA  
6TH FL WEST HAULTAIN BLDG;9811 109 ST  
EDMONTON AB T5K 2L5

Search ID #: Z12782142

Phone #: 780 644 4230

Fax #: 780 644 4924

**Particulars**

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	1764239 ALBERTA LTD. operating as CLARION HOTEL MEDICINE HAT	Current

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 19050907593

Registration Date: 2019-May-09

Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Status: Current

Registration Term: Infinity

---

The WCB Charge Amount is \$4,842.82

---

Exact Match on: Debtor No: 1

---

**Amendments to Registration**

19111349949	Amendment	2019-Nov-13
19112041998	Amendment	2019-Nov-20
19112602605	Amendment	2019-Nov-26
20022416312	Amendment	2020-Feb-24
20030224806	Amendment	2020-Mar-02

---

**Debtor(s)**

**Block**

**Status**

Current

1 1764239 ALBERTA LTD.  
954-7 STREET SW  
MEDICINE HAT, AB T1A 7R7

---

**Secured Party / Parties**

**Block**

**Status**

Deleted by  
19111349949

1 WORKERS' COMPENSATION BOARD/COLLECTION UNIT  
9925 - 107 STREET, 8TH FLOOR  
EDMONTON, AB T5J 2S5  
Phone #: 780 498 3999 Fax #: 780 498 7999

Search ID #: Z12782142

**Block**

2 WORKERS' COMPENSATION BOARD/COLLECTION UNIT  
9912 107 STREET  
EDMONTON, AB T5K 1G5  
Phone #: 780 509 1395 Fax #: 780 498 7999

**Status**

Deleted by  
19112041998

**Block**

3 WORKERS' COMPENSATION BOARD/COLLECTION UNIT  
9912 107 STREET  
EDMONTON, AB T5K 1G5  
Phone #: 780 509 1395 Fax #: 780 498 7999

**Status**

Deleted by  
19112602605

**Block**

4 WORKERS' COMPENSATION BOARD/COLLECTION UNIT  
9912 107 STREET  
EDMONTON, AB T5K 1G5  
Phone #: 780 509 1395 Fax #: 780 498 7999

**Status**

Current by  
19112602605

**Collateral: General**

**Block**

**Description**

1 ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN CONNECTION, PURSUANT TO WCB ACT S129

**Status**

Current

**Particulars**

**Block**

**Additional Information**

1 WCB Account #7015883

**Status**

Current

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 20012843055

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Jan-28

Registration Status: Current

Expiry Date: 2022-Jan-28 23:59:59

---

Issued in FEDERAL COURT Judicial Centre

Court File Number is ITA-1969-18

Judgment Date is 2017-Dec-21

This Writ was issued on 2017-Dec-21

Original Judgment Amount: \$28,954.65

Costs Are: \$30.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$17,944.82

---

Exact Match on: Debtor No: 1

---

**Solicitor / Agent**

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

125,220-4TH AVE SE  
CALGARY, AB T3G 0L1

Phone #: 587 475 3090 Fax #: 403 292 5688

Email: SATSO\_LDPU\_PPR@cra-arc.gc.ca

**Debtor(s)**

**Block**

**Status**  
Current

1 1764239 ALBERTA LTD.  
954 7 STREET SOUTH WEST  
MEDICINE HAT, AB T1A 7R7

**Creditor(s)**

**Block**

**Status**  
Current

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1

**Search ID #:** Z12782142

Phone #: 587 475 3090

Fax #: 403 292 5688

Email: [SATSO\\_LDPU\\_PPR@cra-arc.gc.ca](mailto:SATSO_LDPU_PPR@cra-arc.gc.ca)

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 20012843080

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Jan-28

Registration Status: Current

Expiry Date: 2022-Jan-28 23:59:59

---

Issued in FEDERAL COURT Judicial Centre

Court File Number is ETA-744-18

Judgment Date is 2017-Dec-21

This Writ was issued on 2017-Dec-21

Original Judgment Amount: \$134,971.48

Costs Are: \$30.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$135,001.48

---

Exact Match on: Debtor No: 1

---

**Solicitor / Agent**

HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1  
Phone #: 587 475 3090 Fax #: 403 292 5688  
Email: SATSO\_LDPU\_PPR@cra-arc.gc.ca

**Debtor(s)**

**Block**

**Status**

1 1764239 ALBERTA LTD.  
954 7 STREET SOUTH WEST  
MEDICINE HAT, AB T1A 7R7

Current

**Creditor(s)**

**Block**

**Status**

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1

Current



**Search ID #: Z12782142**

Phone #: 587 475 3090 Fax #: 403 292 5688

Email: [SATSO\\_LDPU\\_PPR@cra-arc.gc.ca](mailto:SATSO_LDPU_PPR@cra-arc.gc.ca)

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

Registration Number: 20030334994

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Mar-03

Registration Status: Current

Expiry Date: 2022-Mar-03 23:59:59

Issued in Federal Court Judicial Centre

Court File Number is ETA-545-20

Judgment Date is 2020-Jan-21

This Writ was issued on 2020-Feb-27

Original Judgment Amount: \$97,331.44

Costs Are: \$27.65

Post Judgment Interest: \$0.00

Current Amount Owing: \$97,359.09

Exact Match on: Debtor No: 1

**Solicitor / Agent**

HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1  
Phone #: 587 475 3037 Fax #: 403 292 5688  
Email: SATSO\_LDPU\_PPR@cra-arc.gc.ca

**Debtor(s)**

**Block**

1 1764239 ALBERTA LTD  
954 7 ST SW  
MEDICINE HAT, AB T1A 7R7

**Status**  
Current

**Creditor(s)**

**Block**

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1

**Status**  
Current

**Search ID #: Z12782142**

Phone #: 587 475 3037 Fax #: 403 292 5688

Email: [SATSO\\_LDPU\\_PPR@cra-arc.gc.ca](mailto:SATSO_LDPU_PPR@cra-arc.gc.ca)

Search ID #: Z12782142

**Business Debtor Search For:**

1764239 ALBERTA LTD.

Search ID #: Z12782142

Date of Search: 2020-Jun-23

Time of Search: 10:47:30

---

Registration Number: 20031221634

Registration Type: WRIT OF SEIZURE AND SALE (FEDERAL WRIT)

Registration Date: 2020-Mar-12

Registration Status: Current

Expiry Date: 2022-Mar-12 23:59:59

---

Issued in FEDERAL COURT Judicial Centre

Court File Number is ITA-992-20

Judgment Date is 2020-Jan-23

This Writ was issued on 2020-Mar-10

Original Judgment Amount: \$489,634.66

Costs Are: \$27.65

Post Judgment Interest: \$0.00

Current Amount Owing: \$489,632.31

---

Exact Match on: Debtor No: 1

---

**Solicitor / Agent**

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

125,220-4TH AVE SE

CALGARY, AB T3G 0L1

Phone #: 587 475 3037

Fax #: 403 292 5688

Email: SATSO\_LDPU\_PPR@cra-arc.gc.ca

**Debtor(s)\***

**Block**

1 1764239 ALBERTA LTD  
954 7 STREET SOUTHWEST  
MEDICINE HAT, AB T1A 7R7

**Status**  
Current

**Creditor(s)**

**Block**

1 HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
125,220-4TH AVE SE  
CALGARY, AB T3G 0L1

**Status**  
Current

Search ID #: Z12782142

Phone #: 587 475 3037      Fax #: 403 292 5688  
Email: SATSO\_LDPU\_PPR@cra-arc.gc.ca

Result Complete



This is Exhibit 10 to the Affidavit  
of Brad Appel sworn before me  
this 7<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



*Expiry: October 31, 2024*



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0019 305 813            832LK;1                      131 238 187

LEGAL DESCRIPTION  
PLAN 832LK  
BLOCK 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE  
ATS REFERENCE: 4;6;12;25;NW  
ATS REFERENCE: 4;6;12;36;SW

MUNICIPALITY: CITY OF MEDICINE HAT

REFERENCE NUMBER: 901 100 812

---

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
131 238 187	20/09/2013	TRANSFER OF LAND	\$3,600,000	CASH & MORTGAGE

OWNERS

1764239 ALBERTA LTD.  
OF 954-7 ST SW  
MEDICINE HAT  
ALBERTA T1A 7R7

---

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
031 099 497	27/03/2003	EASEMENT OVER AND FOR BENEFIT OF: SEE INSTRUMENT (R/W PLAN 0213822)
131 238 189	20/09/2013	MORTGAGE MORTGAGEE - CALLAGHAN INN LIMITED. 238 PRIMROSE DR SE MEDICINE HAT

( CONTINUED )

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

# 131 238 187

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T1B2A9

ORIGINAL PRINCIPAL AMOUNT: \$950,000

141 016 072 16/01/2014 MORTGAGE  
MORTGAGEE - CONCENTRA FINANCIAL SERVICES  
ASSOCIATION.  
333-3 AVENUE NORTH  
SASKATOON  
SASKATCHEWAN S7K2M2  
ORIGINAL PRINCIPAL AMOUNT: \$4,179,000

141 016 073 16/01/2014 MORTGAGE  
MORTGAGEE - PRIMEWEST MORTGAGE INVESTMENT  
CORPORATION.  
700, 750 SPADINA CRES EAST  
SASKATOON  
SASKATCHEWAN S7K3H3  
ORIGINAL PRINCIPAL AMOUNT: \$921,400

141 026 166 28/01/2014 POSTPONEMENT  
OF MORT 131238189  
TO MORT 141016072 MORT 141016073

141 213 233 15/08/2014 CAVEAT  
RE : AMENDING AGREEMENT  
CAVEATOR - CONCENTRA FINANCIAL SERVICES  
ASSOCIATION.  
C/O MERANI REIMER LLP  
SUITE 300, 714-1ST SE SE  
CALGARY  
ALBERTA T2G2G8  
AGENT - DORIS REIMER

141 255 201 23/09/2014 POSTPONEMENT  
OF MORT 141016073  
TO MORT 141016072 CAVE 141213233

151 055 152 25/02/2015 MORTGAGE  
MORTGAGEE - CONCENTRA FINANCIAL SERVICES  
ASSOCIATION.  
333-3 AVE N  
SASKATOON  
SASKATCHEWAN S7K2M2  
ORIGINAL PRINCIPAL AMOUNT: \$250,000

151 055 153 25/02/2015 MORTGAGE  
MORTGAGEE - CONCENTRA FINANCIAL SERVICES  
ASSOCIATION.  
333-3 AVE N  
SASKATOON

( CONTINUED )



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 ENCUMBRANCES, LIENS & INTERESTS

PAGE 3  
 # 131 238 187

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		SASKATCHEWAN S7K2M2 ORIGINAL PRINCIPAL AMOUNT: \$1,817,250
161 053 211	26/02/2016	POSTPONEMENT OF MORT 141016073 TO MORT 141016072 CAVE 141213233 MORT 151055152 MORT 151055153
161 068 552	16/03/2016	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - PRIMEWEST MORTGAGE INVESTMENT CORPORATION. C/O MILLER THOMSON LLP 2700, 10155-102 STREET EDMONTON ALBERTA T5J4G8 AGENT - DAN R CHUBB
171 083 973	22/04/2017	MORTGAGE MORTGAGEE - OSTRANDER FAMILY HOLDINGS LTD. C/O 240, 550-71 AVENUE SE CALGARY ALBERTA T2H0S6 ORIGINAL PRINCIPAL AMOUNT: \$2,500,000
181 063 129	22/03/2018	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF NATIONAL REVENUE CANADA REVENUE AGENCY 200-419 7 STREET SOUTH POST OFFICE BOX 3009, STATION MAIN LETHBRIDGE ALBERTA T1J4A9 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT ALBERTA T1A7R7 AMOUNT: \$134,971 AND COSTS IF ANY ACTION NUMBER: 134971
181 068 701	03/04/2018	WRIT CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF NATIONAL REVENUE 330,220-4 AVE SE CALGARY ALBERTA T2G0L1 DEBTOR - 1764239 ALBERTA LTD. 954-7 ST SW MEDICINE HAT

( CONTINUED )

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 4  
# 131 238 187

REGISTRATION  
NUMBER            DATE (D/M/Y)            PARTICULARS

-----

ALBERTA T1A7R7  
AMOUNT: \$28,954 AND COSTS IF ANY  
ACTION NUMBER: ITA-1969-18

181 073 919    12/04/2018 TAX NOTIFICATION  
BY - THE CITY OF MEDICINE HAT.  
580-1 STREET SE  
MEDICINE HAT, ALBERTA  
T1A8E6

191 014 560    21/01/2019 WRIT  
CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF  
ALBERTA  
AS REPRESENTED BY MINISTER OF TREASURY BOARD AND  
FINANCE  
6TH FLOOR,9811 109 STREET  
EDMONTON  
ALBERTA T5K0C8  
DEBTOR - 1764239 ALBERTA LTD.  
954-7 ST SW  
MEDICINE HAT  
ALBERTA T1A7R7  
AMOUNT: \$259,335 AND COSTS IF ANY  
ACTION NUMBER: 1803-24346

191 015 584    22/01/2019 CAVEAT  
RE : AMENDING AGREEMENT  
CAVEATOR - PRIMEWEST MORTGAGE INVESTMENT  
CORPORATION.  
C/O MILLER THOMSON LLP  
2700, 10155-102 STREET  
EDMONTON  
ALBERTA T5J4G8  
AGENT - PATRICK HARNETT

201 052 904    16/03/2020 WRIT  
CREDITOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
AS REPRESENTED BY MINISTER OF NATIONAL REVENUE  
125, 220-4 AVENUE SE  
CALGARY  
ALBERTA T2G0L1  
DEBTOR - 1764239 ALBERTA LTD.  
954-7 ST SW  
MEDICINE HAT  
ALBERTA T1A7R7  
AMOUNT: \$96,507 AND COSTS IF ANY  
ACTION NUMBER: ETA-545-20

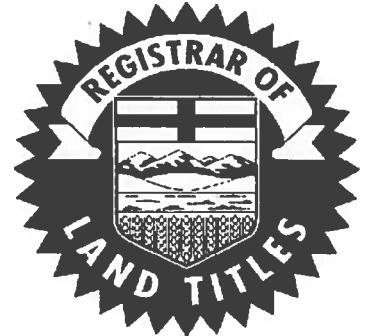
TOTAL INSTRUMENTS: 018

( CONTINUED )

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 23 DAY OF JUNE,  
2020 AT 11:08 A.M.

ORDER NUMBER: 39560642

CUSTOMER FILE NUMBER: 574391-2



\*END OF CERTIFICATE\*

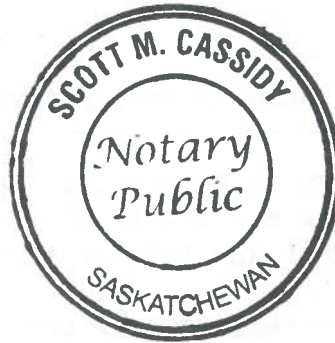
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THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
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INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

This is Exhibit 11 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



*Expiry: October 31, 2024*

OWZW

OLIVE WALLER ZINKHAN & WALLER LLP  
BARRISTERS > SOLICITORS



October 4, 2017

Reply To: Shelley L. Joyce  
Direct Line: (306) 347-2109  
Our File: 14637-125

1764239 Alberta Ltd.  
Suite 5100, 150 - 6<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 3Y7

Dear Sir/Madam:

Re: Innovation Credit Union

We are solicitors for Innovation Credit Union, who has referred to us the matter of your delinquent mortgage accounts and line of credit for collection. We would advise that as at September 27, 2017 the following particulars pertain to your loans with the Credit Union:

Loan 830511046930:

Principal Balance:	\$ 4,476,005.39
Accrued Interest:	\$ 1,430.95
Total:	\$ 4,477,436.34

Arrears: \$ 34,359.00

Per Diem: \$ 530.99

Loan 830511511974:

Principal Balance:	\$ 1,803,079.91
Accrued Interest:	\$ 7,286.81
Total:	\$ 1,810,366.72

Arrears: \$ 85,899.00

Per Diem: \$ 207.48

Loan 830511014060 (Line of Credit):

Principal Balance:	\$ 259,191.86
Accrued Interest (19.8%):	\$ 16.16
Accrued Interest (5.7%):	\$ 965.22
Total:	\$ 260,173.24

Both of your mortgages (on loans ending 46930 and 11974) are payable on demand and this letter constitutes demand for payment of the mortgage loans, and the entire loan balances noted above are now due and owing. We have been instructed by our client to advise that unless payment of the loan balances plus per diem interest, or arrangements for payment satisfactory to Innovation Credit Union, are made within thirty days of the date hereof, action will be taken to ensure repayment of the loans. The above Line of Credit is also payable on demand and is hereby demanded, and full payment of the balance outstanding is also required within thirty days of the date of this letter.

Failure to address the matter of the loan repayment within the time limitation aforesaid will result in the Credit Union proceeding with its legal remedies, which may include enforcement of its security and the commencement of a foreclosure action. We would bring to your attention the fact that normally a successful litigant in a foreclosure action is entitled to Court costs. The result will be that the claim being brought by the Credit Union will exceed the amount now claimed or in arrears under your mortgages.

We enclose Notice under Section 244 of the *Bankruptcy and Insolvency Act*, which constitutes service on you.

We trust that it will not be necessary for our client to resort to the Courts to protect its interests under the loans, and that you will resolve this matter immediately.

Yours truly,

OLIVE WALLER ZINKHAN & WALLER LLP

Per:

  
Shelley L. Joyce

SLJ/sjsp  
Enclosure

OWZW

BARRISTERS • SOLICITORS

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1))

TO: 1764239 Alberta Ltd.  
Suite 5100, 150 – 6th Avenue S.W.  
Calgary, AB T2P 3Y7

TAKE NOTICE THAT:

1. Innovation Credit Union, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

Plan 832LK Block 1  
Excepting thereout all mines and minerals  
Area: 0.938 hectares (2.32 acres) more or less

All present and acquired personal property

2. The security to be enforced is in the form of:

Mortgage dated October 31, 2013

Amendment Agreements-Mortgage dated May 29, 2014, July 10, 2014,  
December 21, 2015 and May 25, 2016

General Security Agreement dated September 6, 2013

Mortgage dated February 16, 2015

Amendment Agreements-Mortgage dated December 21, 2015 and May 25, 2016

Line of Credit Agreement dated December 22, 2014

3. The total amount of indebtedness secured by the security is \$4,477,436.34 (Loan #830511046930), \$1,810,366.72 (Loan #830511511974) and \$260,173.24 (LOC #830511014060) for a total of \$6,547,976.30 as at September 27, 2017.
4. The secured creditor will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

DATED at the City of Regina, in the Province of Saskatchewan, this 4<sup>th</sup> day of October, A.D. 2017.

Olive Waller Zinkhan & Waller LLP

Per:   
Solicitor and Agent for Innovation Credit Union

This is Exhibit 12 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



*Expiry: October 31, 2024.*



Form 14  
[Rule 3.36(1)]

CLERK OF THE COURT  
FILED  
OCT 31 2018  
CALGARY, ALBERTA

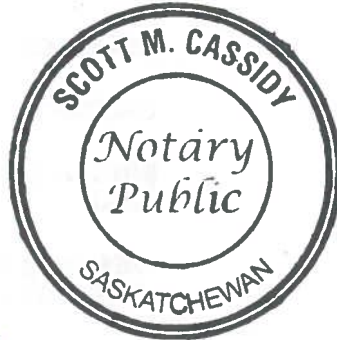
Clerk's stamp:

COURT FILE NUMBER	1801-08520
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFFS	INNOVATION CREDIT UNION and CONCENTRA BANK
DEFENDANTS	1764239 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., AND BRIAN OSTRANDER
DOCUMENT	NOTING IN DEFAULT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP 15 <sup>th</sup> Floor, 850 – 2 <sup>nd</sup> Street SW Calgary, Alberta T2P 0R8 Attn: Doug Schweitzer / John Regush Phone: (403) 268-7018 / 7086 Fax: (403) 268-3100 File No.: 574391-2

**INNOVATION CREDIT UNION and CONCENTRA BANK, Plaintiffs, require the court clerk to enter in the court record of this action a note to the effect that 1764239 ALBERTA LTD., OSTRANDER FAMILY HOLDINGS LTD., AND BRIAN OSTRANDER, Defendants, have not filed a statement of defence and consequently are noted in default.**

This is Exhibit 13 to the Affidavit  
of Brad Appel sworn before me  
this 9<sup>th</sup> day of July, 2020.

  
A Notary Public in and for Saskatchewan



Expiry: October 31, 2024

**FORBEARANCE AGREEMENT**

THIS FORBEARANCE AGREEMENT is dated this 11<sup>th</sup> day of March, 2020

**AMONG:**

**Innovation Credit Union**, a corporation pursuant to *The Credit Union Act* of Saskatchewan, and extra provincially registered in Alberta ("Innovation")

- and -

**Concentra Bank**, a Schedule I bank pursuant to the *Bank Act*, SC 1991 c 46 ("Concentra", Concentra and Innovation are collectively the "Lender")

- and -

**1764239 Alberta Ltd.**, a corporation pursuant to the laws of Alberta ("176 Alberta")

- and -

**1885731 Alberta Ltd.**, a corporation pursuant to the laws of Alberta ("188 Alberta", 176 Alberta and 188 Alberta are collectively the "Borrowers" and each a "Borrower")

- and -

**Ostrander Family Holdings Ltd.**, a corporation pursuant to the laws of Alberta ("OF Holdings")

- and -

**Brian Ostrander**, an individual ordinarily resident in Alberta ("Ostrander")

- and -

**Philip Krahn**, an individual ordinarily resident in Alberta ("Krahn")

(the foregoing being the "Parties" and each a "Party", and the Parties, excepting the Lender, collectively being the "Loan Parties" and each a "Loan Party")

**WHEREAS:**

- (a) the Lender extended credit facilities and related services to 188 Alberta pursuant to:
  - (i) an Offer of Financing dated April 20, 2015, as amended from time to time (as amended, the "188 Alberta Term Loan"); and

- (ii) amounts made available by way of an overdraft (the **"188 Alberta Overdraft"**);  
(collectively, the **"188 Alberta Credit Agreements"**);
- (b) to secure its obligations to the Lender, 188 Alberta provided the following security to the Lender:
  - (i) a General Security Agreement dated May 27, 2015 charging all of its present and after acquired personal property;
  - (ii) a mortgage dated May 27, 2015, as amended by amending agreements dated December 21, 2015 and May 25, 2016 (as amended, the **"188 Alberta Mortgage"**) charging the lands legally described as:
 

PLAN 9412092  
LOT 5  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.661 HECTARES (1.63 ACRES) MORE OR LESS

(the **"188 Alberta Lands"**)

(collectively, the **"188 Alberta Borrower Security"**)
- (c) to secure repayment of the obligations of 188 Alberta owing to the Lender:
  - (i) OF Holdings provided a guarantee to the Lender dated May 27, 2015 to the maximum amount of \$4,198,500.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (ii) OF Holdings provided a second guarantee to the Lender dated May 25, 2016 to the maximum amount of \$4,198,500.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (iii) Ostrander provided a guarantee to the Lender dated May 27, 2015 to the maximum amount of \$4,198,500.00 plus interest, fees, charges, and expenses as set out in the guarantee; and
  - (iv) Krahn provided a guarantee to the Lender dated May 27, 2015 to the maximum amount of \$466,500.00 plus interest, fees, charges, and expenses as set out in the guarantee;

(collectively, the **"188 Alberta Guarantees"** and each a **"188 Alberta Guarantee"**);
- (d) each of the 188 Alberta Guarantees provides that the debts and liabilities of 188 Alberta to the guarantor are assigned and postponed in favour of the Lender (collectively, the **"188 Alberta Guarantor Security"**, collectively with the 188 Alberta Borrower Security, the **"188 Alberta Security"**);
- (e) the Lender extended credit facilities and related services to 176 Alberta pursuant to:

- (i) an Offer of Financing letter dated October 8, 2013, as amended from time to time (as amended, the "**176 2013 Term Financing Offer**");
- (ii) an Offer of Financing letter dated February 3, 2015, as amended from time to time (as amended, the "**176 2013 Term Financing Offer**"); and
- (iii) a Farm/Business Line of Credit Agreement dated October 29, 2013, as amended from time to time (as amended, the "**176 Alberta Line of Credit**");

(collectively, the "**176 Alberta Credit Agreements**", collectively with the 188 Alberta Credit Agreements the "**Credit Agreements**" and each a "**Credit Agreement**");

- (f) to secure its obligations to the Lender, 176 Alberta provided the following security to the Lender:

- (i) a General Security Agreement dated September 6, 2013 charging all of its present and after acquired personal property;
- (ii) a mortgage dated October 31, 2013, as amended by amending agreements dated May 29, 2014, Jul 10, 2014, December 21, 2015, and May 25, 2016 (as amended the "**First 176 Alberta Mortgage**") charging the lands legally described as:

PLAN 832LK  
BLOCK 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.938 HECTARES (2.32 ACRES) MORE OR LESS

(the "**176 Alberta Lands**", collectively with the 188 Alberta Lands, the "**Lands**");

- (iii) a mortgage dated February 15, 2016, as amended by amending agreements dated December 21, 2015 and May 25, 2016 (as amended, the "**Second 176 Alberta Mortgage**") charging the 176 Alberta Lands; and
- (iv) a mortgage dated February 16, 2015 (the "**Third 176 Alberta Mortgage**") charging the 176 Alberta Lands;

(collectively, the "**176 Alberta Borrower Security**")

- (g) to secure repayment of the obligations of 176 Alberta owing to the Lender:

- (i) OF Holdings provided to the Lender guarantees dated:
  - (A) July 10, 2014 to the maximum amount of \$3,509,250.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (B) December 22, 2014 to the maximum amount of \$187,500.00 plus interest, fees, charges, and expenses as set out in the guarantee;

- (C) February 16, 2015 to the maximum amount of \$1,362,937.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (D) May 25, 2016 to the maximum amount of \$1,362,937.00 plus interest, fees, charges, and expenses as set out in the guarantee; and
  - (E) May 25, 2016 to the maximum amount of \$187,500.00 plus interest, fees, charges, and expenses as set out in the guarantee; and
- (ii) Ostrander provided to the Lender guarantees dated:
- (A) October 29, 2013 to the maximum amount of \$37,500.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (B) October 29, 2013 to the maximum amount of \$3,134,250.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (C) July 10, 2014 to the maximum amount of \$3,509,250.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (D) July 20, 2014 to the maximum amount of \$3,509,250.00 plus interest, fees, charges, and expenses as set out in the guarantee;
  - (E) December 22, 2014 to the maximum amount of \$187,500.00 plus interest, fees, charges, and expenses as set out in the guarantee; and
  - (F) February 16, 2015 to the maximum amount of \$1,362,937.00 plus interest, fees, charges, and expenses as set out in the guarantee;

(collectively, the **"176 Alberta Guarantees"** and each a **"176 Alberta Guarantee"**, the 176 Alberta Guarantees collectively with the 188 Alberta Guarantees are the **"Guarantees"** and each a **"Guarantee"**);

- (h) each of the 176 Alberta Guarantees provides that the debts and liabilities of 176 Alberta to the guarantor are assigned and postponed in favour of the Lender (collectively, the **"176 Alberta Guarantor Security"**, collectively with the 176 Alberta Borrower Security, the **"176 Alberta Security"**, the 176 Alberta Security and 188 Alberta Security are collectively the **"Security"**, the Security, collectively with the Credit Agreements and the Guarantees, are the **"Lender Documents"** and each a **"Lender Document"**);
- (i) the obligations of the Borrowers pursuant to their respective Credit Agreements are currently due and owing, including by reason of defaults under the Credit Agreements and by reason of demand;
- (j) the obligations of each of OF Holdings, Ostrander, and Krahn (collectively, the **"Guarantors"** and each a **"Guarantor"**) pursuant to their respective Guarantees are payable on demand and the Guarantors are additionally in default of their respective Guarantees;

- (k) the Loan Parties are each in default of their respective Security;
- (l) the Lender has commenced action number 1801-08521 in the Court of Queen's Bench of Alberta against 188 Alberta, OF Holdings, Ostrander, and Krahn (the "**188 Alberta Action**"), and each of 188 Alberta, OF Holdings, Ostrander, and Krahn have been noted in default in the 188 Alberta Action;
- (m) the Lender has commenced action number 1801-08520 in the Court of Queen's Bench of Alberta against 176 Alberta, OF Holdings, and Ostrander (the "**176 Alberta Action**"), and each of 188 Alberta, OF Holdings, and Ostrander have been noted in default in the 176 Alberta Action;
- (n) the Loan Parties requested that the Lender forbear from enforcement of the Lender Documents to provide them with time in which to repay the Indebtedness, as defined in this Agreement; and
- (o) the Lender has agreed to forbear from immediate enforcement of its rights under the Lender Documents, 188 Alberta Action, and 176 Alberta Action upon the terms and conditions set out in this Agreement;

**NOW THEREFORE** in consideration of the mutual covenants set forth in this Agreement and the sum of \$1.00 paid by and to the Lender to and from each of the Loan Parties (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

## **ARTICLE 1**

### **ACKNOWLEDGEMENTS AND WAIVERS**

#### **1.1 Acknowledgements.**

- (a) The Loan Parties hereby acknowledge and agree that:
  - (i) the facts as set out in the recitals to this Agreement are true and accurate in all respects and the same are expressly incorporated into and form part of this Agreement;
  - (ii) the Lender Documents and all covenants, terms and provisions thereof shall be and continue to be in full force and effect and the Lender Documents are hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect, subject only to any amendments provided hereunder;
  - (iii) the Lender has not made any promises, other than the covenants and agreements specifically contained herein, and has not taken any action or omitted to take any action, that would constitute a waiver or estoppel of the Lender's rights to enforce the Security or pursue its remedies in respect of the Lender Documents;
  - (iv) the Credit Agreements are valid and binding on the Borrowers, and the Borrowers are liable for all obligations owing to the Lender under their respective Credit Agreements, howsoever and wheresoever they arise, including all interest,

fees, costs (including legal fees on a solicitor and its own client full indemnity basis) and expenses incurred or accruing by the Lender and all other indebtedness of the Borrowers to the Lender, including as may hereafter be advanced, charged or incurred (the "Loan Indebtedness")

(v) the Loan Indebtedness equals \$12,580,771.14 comprised as follows:

in respect of 188 Alberta, as of December 19, 2019:

i) 830511601510

Balance: \$12,055.23

ii) 830511610750

Principal Balance \$4,595,578.81

Interest Outstanding \$630,423.29

Total: \$5,226,002.10

188 Alberta Total:

\$5,238,057.33

in respect of 176 Alberta:

i) 830511046930

as at December 20, 2019

Principal balance \$4,493,290.58

Interest outstanding \$382,673.31

Total: \$4,875,963.89

ii) 830511014060

(as at December 19, 2019)

Balance Outstanding: \$258,380.03

iii) 830511511974

(as at December 19, 2019)

Principal balance \$1,807,515.34

Interest outstanding \$162,659.49

Total \$1,970,174.83



176 Alberta Total: \$7,104,518.75

TOTAL \$12,342,576.08 \*

\*amounts included for legal fees do not include all fees owing as at the dates referenced

which amounts continue to accrue interest, plus all ongoing professional fees (including but not limited to legal fees on a solicitor and its own client full indemnity basis), charges, and costs for which the Borrowers are liable;

- (vi) 188 Alberta is in default of its obligations to the Lender under its Credit Agreements including, without limitation, by reason of failing to pay amounts owing pursuant to its Credit Agreements (among other things, collectively the "188 Alberta Defaults");
- (vii) 176 Alberta is in default of its obligations to the Lender under its Credit Agreements including, without limitation, by reason of failing to pay amounts owing pursuant to its Credit Agreements (among other things, collectively the "176 Alberta Defaults", collectively with the 188 Alberta Defaults, the "Borrower Defaults");
- (viii) the Guarantees are each valid and binding upon the respective Guarantors, and each Guarantor is liable for all obligations owing to the Lender under their respective Guarantee, howsoever and wheresoever they arise, including all interest, fees, costs (including legal fees on a solicitor and its own client full indemnity basis) and expenses incurred or accruing by the Lender and all other indebtedness of the Guarantor to the Lender, including as may hereafter be advanced, charged or incurred, and which equals:
  - (A) in respect of OF Holdings,
    - (1) \$5,238,057.33 plus interests, costs (including legal costs on a solicitor and its own client full indemnity basis), and fees, all of which continue to accrue, as set out in its Guarantees of 188 Alberta (the "OF Holdings 188 Alberta Guarantee Indebtedness"); and
    - (2) \$6,610,124.00 plus interests, costs (including legal costs on a solicitor and its own client full indemnity basis), and fees, all of which continue to accrue, as set out in its Guarantees of 176 Alberta (the "OF Holdings 176 Alberta Guarantee Indebtedness"); and
  - (B) in respect of Ostrander:

- (1) \$4,198,500.00 plus interests, costs (including legal costs on a solicitor and its own client full indemnity basis), and fees, all of which continue to accrue, as set out in his Guarantee of 188 Alberta (the "**Ostrander 188 Alberta Guarantee Indebtedness**"); and
- (2) \$7,104,518.75 plus interests, costs (including legal costs on a solicitor and its own client full indemnity basis), and fees, all of which continue to accrue, as set out in his Guarantees of 176 Alberta (the "**Ostrander 176 Alberta Guarantee Indebtedness**", collectively with the OF Holdings 176 Alberta Guarantee Indebtedness, the "**176 Alberta Guarantee Indebtedness**"); and
- (C) in respect of Krahn \$446,500.00 plus interests, costs (including legal costs on a solicitor and its own client full indemnity basis), and fees, all of which continue to accrue, as set out in his Guarantee of 188 Alberta (the "**Krahn 188 Guarantee Indebtedness**", collectively with the OF Holdings 188 Alberta Guarantee Indebtedness and the Ostrander 188 Alberta Guarantee Indebtedness, the "**188 Alberta Guarantee Indebtedness**", the 188 Alberta Guarantee Indebtedness and 176 Alberta Guarantee Indebtedness are collectively the "**Guarantee Indebtedness**", the Guarantee Indebtedness and Loan Indebtedness are collectively the "**Indebtedness**");
- (ix) the Guarantors are each in default of their obligations to the Lender under their respective Guarantee including, without limitation, by failing to repay amounts owing to the Lender as required under their respective Guarantees (among other things, the "**Guarantor Defaults**");
- (x) the Security:
  - (A) has been duly granted by the respective Loan Parties in favour of the Lender and is valid, enforceable, and binding upon the Loan Parties in all respects;
  - (B) has been provided by the Loan Parties to the Lender to secure repayment and performance of all of their respective obligations to the Lender, without limitation, including their respective Indebtedness, all amounts owing in connection with their respective Credit Agreements and Guarantees, and all overdraft and overdrawn amounts thereunder, and all other amounts now or in the future owing to the Lender; and
  - (C) has not been discharged, varied, waived or altered and each of the documents comprising the Security is valid, binding upon the Loan Parties and is enforceable against the Loan Parties in accordance with the terms thereof;
- (xi) the Loan Parties are each in default of their obligations to the Lender under their respective Security including, without limitation, by failing to repay amounts

owing to the Lender as required (among other things the "Security Defaults", collectively with the Borrower Defaults and Guarantor Defaults, the "Existing Defaults");

- (xii) each Loan Party was duly served with a demand for repayment of their respective Indebtedness on October 4, 2017, and there are no further or other notices, demands, or other conditions precedent to the acceleration of the Indebtedness and the enforcement of any or all of the Security except as expressly set forth herein;
- (xiii) each Borrower was duly served with a Notice of Intention to Enforce Security ("NOI") pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "BIA") on October 4, 2017;
- (xiv) the time period applicable to the demands and NOIs has expired or is hereby expressly waived by the Loan Parties, and the Lender is presently entitled to obtain repayment of the Indebtedness from the Loan Parties and exercise all rights pursuant to the Security or otherwise available at law against the Loan Parties forthwith and without any further notice;
- (xv) the Loan Parties do not dispute the Borrowers' liability to repay their respective portions of the Indebtedness on any basis and confirm all rights of the Lender are and shall remain in full force and effect;
- (xvi) the Loan Parties do not dispute the Guarantors' liability to repay their respective portions of the Indebtedness on any basis and confirm all rights of the Lender are and shall remain in full force and effect;
- (xvii) the Loan Parties hereby confirm that the Lender Documents are in full force and effect and that the Loan Parties have no rights of set off, damages, recoupment or other offset or any defense, claim or counterclaim with respect to the validity and enforceability of any of the Lender Documents; and
- (xviii) the Borrowers have no right to be extended additional credit from the Lender under the Credit Agreements.

## 1.2 Release and Waiver.

- (a) The Loan Parties hereby release and forever discharge the Lender and its respective affiliates, and their respective past, present, and future employees, representatives, counsel, directors, officers, servants, agents, consultants, shareholders, assigns, insurers, predecessors, and successors (collectively, the "Releasees"), of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, damages, losses, liabilities, costs, and expenses of any nature or kind whatsoever, whether known, unknown or discovered, suspected or unsuspected, whether at law or in equity, which the Loan Parties or any of them ever had or now have or hereafter can, shall or may have or by reason of any cause, matter or thing whatsoever existing up to the present time relating to the Indebtedness, the Lender Documents or any errors or omissions of any of the Releasees with regard thereto.

- (b) The Loan Parties hereby waive against each of the Releasees any defence that the Loan Parties or any of them has or may have existing up to the present time to any present or future legal action or other enforcement brought by the Lender to collect the Indebtedness or enforce or realize upon the Lender Documents, whether said defence arises (and expressed through counterclaim, defence, or otherwise) by reason of any cause, matter, error, omission, neglect or thing caused or done, whether direct or indirect, by any of the Releasees existing as at the date of this Agreement relating to or arising, whether directly or indirectly, from the Indebtedness or the Lender Documents.
- (c) The Loan Parties hereby acknowledge that the Lender has not waived any of its rights in respect of the Existing Defaults and expressly reserves its right to rely on the Existing Defaults upon the occurrence of a Termination Event (as defined in this Agreement).
- (d) The Loan Parties hereby agree that they shall be obligated to indemnify and hold the Releasees harmless with respect to any and all liabilities, obligations, losses, penalties, actions, judgments, suits, claims, legal costs on a solicitor-client full indemnity basis, expenses or disbursements of any kind or nature whatsoever incurred by the Releasees, or any of them, whether direct, indirect or consequential, as a result of or arising from or relating to any proceeding by, or on behalf of any person, including, without limitation, the respective officers, directors, agents, trustees, creditors, partners or shareholders of the Loan Parties or any of their respective subsidiaries, whether threatened or initiated, in respect of any claim for legal or equitable remedy under any statute, regulation or common law principle arising from or in connection with the negotiation, preparation, execution, delivery, performance, administration and enforcement of the Lender Documents, this Agreement or any other document executed and/or delivered in connection herewith or therewith. The foregoing indemnity shall survive the termination of this Agreement, the Lender Documents, and the payment in full of the indebtedness owed by the Loan Parties to the Lender.

- 1.3 **No Protection Without Consent.** Each Loan Party covenants and agrees that it will not, without the prior written consent of the Lender, make any filing or seek any protection (including a stay of proceedings) pursuant to the BIA, the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36 (the "CCAA"), or otherwise at law or in equity.

## **ARTICLE 2 FORBEARANCE**

- 2.1 **Forbearance.** The Lender covenants and agrees, subject to the terms and conditions hereof, that it will take no action to:
- (a) appoint a receiver pursuant to the Credit Agreements or the Security, or otherwise enforce the Security against the Loan Parties;
  - (b) seize any of the property, assets or undertaking of the Loan Parties;
  - (c) commence or continue any proceeding or application in any court of competent jurisdiction including, without limitation, issuing claims against the Loan Parties or appointing a receiver or receiver-manager in respect of the Loan Parties or any or all of their assets; or

- (d) issue any petition pursuant to the BIA, the *Business Corporations Act* (Alberta), the CCAA, the *Winding-Up and Restructuring Act* (Canada), or any other bankruptcy, insolvency or analogous law.

**2.2 Forbearance Period.** The forbearance of the Lender's rights pursuant to this Article shall remain in full force and effect until the earlier of any of the following events (each event hereinafter referred to as a "Termination Event"):

- (a) any default by a Loan Party including the non-performance of any obligation of a Loan Party under any agreement with the Lender including, but not limited to, the Lender Documents and this Agreement, except the Existing Defaults, provided, however that until the occurrence of a Termination Event, the Loan Parties shall not be required to make payment of amounts owing and accruing owing to the Lender pursuant to the Loan Documents;
- (b) any person or entity other than the Lender taking any step against or in respect of the Loan Parties in the manner of seeking any pre-judgment relief, freezing, or preservation of the assets of the Loan Parties, seeking to appoint a receiver or receiver and manager over the assets, properties, and undertakings of the Loan Parties, or serving any garnishment, requirement to pay, or enhanced requirement to pay;
- (c) the Lender acting reasonably deems it is necessary to take steps to preserve any of the collateral subject to the Security;
- (d) the Loan Parties or any one of them making an assignment in bankruptcy or any other assignment for the benefit of creditors, making any proposal or seeking any relief under the BIA, the *Business Corporations Act* (Alberta), the CCAA, the *Winding-Up and Restructuring Act* (Canada), or any other bankruptcy, insolvency or analogous law in Canada, the United States or elsewhere as the case may be;
- (e) any material adverse change arises to the Loan Parties, as determined by the Lender acting reasonably;
- (f) any person or entity other than the Lender taking any step described in Sections 2.1(a), (b), and (d) hereof; or
- (g) 5:00 p.m. (Calgary time) on March 31, 2020 (the "**Forbearance Date**").

Upon the occurrence of a Termination Event, the Lender shall be at liberty to immediately take any action otherwise precluded under Article 2 hereof.

**2.3 Discretionary Forbearance Extensions.** If, in the Lender's sole and unfettered discretion, the Lender determines extensions of the Forbearance Date are warranted, the Lender may provide written confirmation to the Loan Parties of the Lender's agreement to an extension and the date and time the Forbearance Date has been extended to.

**2.4 Termination Event.** Upon the occurrence of a Termination Event:

- (a) the Lender may pursue all rights and remedies that the Lender may have in connection with the Lender Documents as the Lender deems appropriate and to the extent permissible by law including, without limitation, applying to have signed and entered the Consent Orders, as defined at Article 3 of this Agreement, or otherwise seeking the appointment of an interim receiver, or a receiver and manager either by instrument or upon application to a court having jurisdiction;
- (b) the Loan Parties, unconditionally and irrevocably, provide the Lender with such necessary consents in order to immediately enforce the Security including, without limitation, the consent of the Loan Parties to the appointment of a receiver, receiver-manager, interim receiver, national receiver, trustee, trustee in bankruptcy, monitor or such like enforcement agent appointed by the Lender under the Security or by virtue of an order of a court of competent jurisdiction, as the Lender may direct, in its sole and unfettered discretion. The Loan Parties hereby waive any requirements for demands to be made and waives otherwise applicable time periods under common law, the BIA, and the *Personal Property Security Act (Alberta)*; and
- (c) the Loan Parties shall, unconditionally and irrevocably, provide the Lender with the necessary consents consenting to any receiver appointed by Lender or by virtue of a court order also or alternatively acting as a trustee in bankruptcy if the Lender requires the appointment of a trustee.

**2.5 Remedies not Exhaustive.** The foregoing remedies are not exhaustive and the Lender may in its sole discretion, elect to exercise some, none, or all of the foregoing remedies and such remedies may be exercised independently and in any order deemed necessary or advisable by the Lender upon the occurrence or during the continuation of any Termination Event.

**2.6 Power of Attorney.** Upon the occurrence of a Termination Event, the Loan Parties irrevocably constitute and appoint the Lender and each of its officers holding office from time to time as the true and lawful attorney of the Loan Parties with power of substitution in the name of the Loan Parties to do any and all such acts and things or execute and deliver all such agreements, documents, and instruments as the Lender, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise any of its rights and remedies hereunder, and to do all acts or things necessary to realize or collect the Indebtedness, and the Loan Parties hereby ratify and agree to ratify all acts of any such attorney taken or done in accordance with this paragraph. The power of attorney set forth above is coupled with an interest, shall not be revoked or terminated by any act or thing other than the repayment in full of the Indebtedness by the Loan Parties. The Loan Parties hereby release the Lender from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Lender, under such powers of attorney other than actions taken or omitted to be taken through the gross negligence or wilful misconduct of the Lender.

### **ARTICLE 3** **CONSENT ORDERS**

**3.1 Consent Orders.** Concurrently with the execution of this Agreement:

- (a) the Loan Parties shall provide the Lender's solicitors with forms of judgment from the Alberta Court of Queen's Bench providing for judgment as against each of them for the Indebtedness and all accrued and accruing interest, costs, and fees (including legal fees on a solicitor and its own client full indemnity basis), duly consented to and in forms acceptable to the Lender, substantially as attached to this Agreement as Schedule "A" (the "Consent Judgment");
- (b) each Borrower shall deliver to the Lender's solicitors a form of Order from the Alberta Court of Queen's Bench appointing a receiver and manager over all of its undertaking, property, and assets, duly consented to and in a form acceptable to the Lender, substantially as attached to this Agreement as Schedule "B" (the "Consent Receivership Order");
- (c) each Borrower shall deliver to the Lender's solicitors a form of consent redemption order – listing from the Alberta Court of Queen's Bench providing for judicial listing of the 188 Alberta Lands and 176 Alberta Lands, respectively, with a one day redemption period, duly consented to and in a form acceptable to the Lender, substantially as attached to this Agreement as Schedule "C" (the "Consent Redemption Orders - Listing"); and
- (d) each Borrower shall deliver to the Lender's solicitors a form of Order from the Alberta Court of Queen's Bench making an assignment in to bankruptcy pursuant to the BIA, duly consented to and in a form acceptable to the Lender, substantially as attached to this Agreement as Schedule "D" (the "Consent Bankruptcy Orders");

**3.2 Consents.** The Consent Judgment, Consent Receivership Order, Consent Redemption Orders – Listing, and Consent Bankruptcy Orders (collectively, the "Consent Orders") shall be held by the solicitors for the Lender in trust until the occurrence of a Termination Event at which time:

- (a) the Lender, or the Lender's agent, shall be authorized by the Loan Parties to fill in all blanks appearing in the Consent Orders as the Lender deems fit in its sole and unfettered discretion and add or remove such parties from the style of cause as the Lender deems fit in its sole and unfettered discretion, provided, however, that judgment amounts entered shall be limited to the Indebtedness, plus any accrued interest, costs, and fees owing by the Loan Parties on the date of entry; and
- (b) the Lender, or the Lender's agent, in its sole and unfettered discretion, shall, after providing one business day notice to the Loan Parties in writing, be at liberty to bring an application before the Court of Queen's Bench of Alberta at the Judicial Centre of Calgary to have one or more of the Consent Orders signed by a Justice or Master of the Court of Queen's Bench (an "Application"), and may enter the Order or Orders as soon as convenient thereafter, and the Loan Parties hereby expressly waive the right to:
  - (i) receive any further notice any Application; and
  - (ii) contest any Application or withdraw their consent thereto.

The Loan Parties acknowledge and agree that the Lender's unfettered and irrevocable right to exercise the relief as set forth in this Article is a fundamental and essential term of this Agreement

and, but for this Agreement, the Lender would have brought proceedings to enforce the remedies contemplated in this Article immediately.

- 3.3 Judicial Centre.** The Loan Parties acknowledge and agree that any action commenced by the Lender in respect of the Loan Parties or their property may be started and carried on in the judicial centre of Calgary, Alberta. The Loan Parties hereby waive any right to apply to transfer any judicial proceedings to another jurisdiction.

#### **ARTICLE 4 COVENANTS**

- 4.1 Payment to the Lender.** The Loan Parties agree that, on or before March 31, 2020, they will effect a sale of Lands that will result in payment to the Lender of a net amount of minimum of [REDACTED] (the "Contemplated Sale"). For clarity, this means that the Lender will receive a minimum of [REDACTED] after payment in full of all obligations that may rank in priority to the Lender's interests in the Lands, including but not limited to all tax obligations owing to the federal, provincial, or municipal government. The Loan Parties must, on or before March 31, 2020, provide the Lender with an unconditional and binding agreement effecting the Contemplated Sale and such agreement must provide that funds from the Contemplated Sale will be paid to the Lender no later than April 30, 2020.
- 4.2 Update on Sale Efforts.** The Loan Parties authorize and direct any real estate agent, listing agent, or other professional engaged by the Loan Parties to sell the Lands to provide the Lender with weekly written updates on their efforts to sell the Lands and effect the Contemplated Sale, including but not limited to providing any marketing materials, communications with prospective purchasers, and proposed or draft sale agreements and related documentation.
- 4.3 Release of Guarantee Obligations.** If either:
- (a) the Contemplated Sale occurs; or
  - (b) the Contemplated Sale does not occur, this Forbearance Agreement expires due to the effluxion of time, and the Consent Redemption Orders – Listing are each entered without opposition by the Loan Parties;
- then the Lender agrees to release each Guarantor from their obligations to repay the indebtedness pursuant to their respective Guarantees.
- 4.4 Bankruptcy Filing.** Upon the occurrence of a Termination Event under this Forbearance Agreement, the Borrowers agree that they shall, forthwith upon request by the Lender, assign themselves into bankruptcy pursuant to the provisions of the BIA, and appoint a trustee in bankruptcy that is approved by the Lender in the Lender's sole and unfettered discretion. For clarity, this provision does not limit the Lender's ability to exercise its rights pursuant to Article 3 of this Agreement.
- 4.5 No Further Advances.** No further advances shall be made to any of the Loan Parties except with the express written consent of the Lender, which consent may be withheld in the Lender's sole and unfettered discretion.



- 4.6 Prohibition on Debt.** The Loan Parties shall not incur any short or long term debt without the consent of the Lender.
- 4.7 Prohibition on Certain Accounts Payable.** Prior to the Forbearance Date, without the prior written consent of the Lender, the Loan Parties may not make any principal payments to any other lenders, except for normal trade credit payments made in the ordinary course of business and regularly scheduled payments under indebtedness existing as of the date of this Agreement.
- 4.8 Prohibition on Payments to Shareholders.** Prior to the Forbearance Date, without the prior written consent of the Lender, the Loan Parties will not make any principal payments on shareholder loans, any interest payments on shareholder loans or pay any dividends or any other distributions to shareholders.
- 4.9 Costs.** The Lender's costs and expenses (including legal fees on a solicitor and its own client full indemnity basis) in connection with the preparation and enforcement of this Agreement shall become part of the Indebtedness, and the Loan Parties agree and acknowledge that they are liable to the Lender for those costs and that such liability shall become part of the Indebtedness, be guaranteed by the Guarantees, and be secured by the Security.
- 4.10 No Writs etc.** The Loan Parties shall ensure that no writs, executions, attachments, receivership proceedings, or proceedings under any bankruptcy, insolvency, reorganization, winding-up or similar legislation, is instituted against them or any of their assets.
- 4.11 Priority Payments.** In respect of priority payments, each Loan Party represents, warrants, covenants, and agrees that:
- (a) from and after the date of this Agreement it will remit, in accordance with legal requirements, (i) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any province that are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan, and income taxes; (ii) amounts payable in respect of Workers' Compensation, employment insurance, Canada Pension Plan, and income taxes with respect to employees; and (iii) all goods and services or sales taxes payable by it or its customers in connection with the retail sale of goods and services by it to such customers;
  - (b) all remittances and payments described in subparagraph (a) are, as of the date hereof, current and in good standing or arrangements have been made to bring such remittances and payments into good standing (in case of which, where such an arrangement has been made, a copy of the terms of such arrangement will be provided to the Lender concurrently with the execution of this Agreement); and
  - (c) it shall provide to the Lender, at the request of the Lender, a certificate, in form and substance acceptable to the Lender, certifying that the remittances and payments described in subparagraph (a) are in good standing as of the date designated in the Lender's request.
- 4.12 Reporting.** The Loan Parties will meet and maintain all ongoing reporting requirements set out in the Lender Documents.

- 4.13 Access to Property.** The Loan Parties undertake and agree to provide the Lender and its designated agents or employees with access to their property and assets upon reasonable notice.
- 4.14 No Sale of Other Property.** Each Loan Party acknowledges and agrees that:
- (a) no property which is the subject of the Security will be sold by the Loan Party outside the ordinary course of business without the express written permission of the Lender;
  - (b) should any property which is the subject of the Security, or any part thereof, be sold or conveyed, all proceeds of such sale will forthwith be paid to the Lender to be applied by the Lender in its sole and unfettered discretion on account of the Indebtedness;
  - (c) it shall not grant any additional security or charges to any other party in priority to the Lender, including without limitation purchase money security interests or mortgages, without the express consent in writing of the Lender; and
  - (d) it will give the Lender prompt written notice of the happening of any event which could adversely affect or impair the ability of the Lender to collect the Indebtedness or affect or impair the ability of the Lender to realize on the Security, or which may result in a material adverse change to the Loan Party's operations or financial position.

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES**

- 5.1 Representations and Warranties of the Loan Parties.** Each Loan Party hereby represents, warrants and agrees that:
- (a) the Borrower is validly existing and in good standing under the laws of its governing jurisdiction, is duly registered in all other jurisdictions where the nature of its property or character of its businesses require registration, and has all necessary power and authority to own its properties and carry on its business as presently carried on or as contemplated by this Agreement;
  - (b) the Loan Parties have full power, legal right and authority, and have taken all necessary action to be authorized, to enter into this Agreement and do all such acts and things as are required by this Agreement to be done, observed or performed in accordance with the terms hereof;
  - (c) none of the authorizations, executions or deliveries of this Agreement are in conflict with or contravention of any of the Borrower's articles, by-laws, other organization documents or resolutions of the Borrower's directors, shareholders, partners or trustees or the provisions of any other indenture, instrument, undertaking or other agreement to which it is a party or their properties or assets are bound; and
  - (d) other than the Existing Defaults, no Termination Events are occurring under the Lender Documents.
- 5.2 Survival.** The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations that

may be made by or on behalf of the Lender, and the representations and warranties in connection with the Lender Documents shall survive until the Lender Documents have been terminated in accordance with their respective terms.

## **ARTICLE 6**

### **TOLLING**

**6.1 Extension of Limitation Period.** The Loan Parties each agree that:

- (a) the Lender's rights shall not be affected in any way by the passage of any applicable limitation periods during the period beginning on the date of this Agreement and ending on the occurrence of a Termination Event (the "**Standstill Period**"), including, without limiting the generality of the foregoing, the limitation periods provided by the *Limitations Act*, RSA 2000 c L-12 (the "**Limitations Act (Alberta)**") and the limitation periods and periods governing delay provided under the *Alberta Rules of Court*, Alta Reg 124/2010 (all of the foregoing limitation periods being collectively the "**Limitation Period**");
- (b) for greater certainty, and in addition, in defence to any subsequent proceedings brought by the Lender against a Loan Party, the Loan Party shall not rely in any way, to the detriment of the Lender, on the passage of time during the Standstill Period, and the time that passes during the Standstill Period shall be deemed not to have passed in respect of the computation of any Limitation Period; and
- (c) the Lender and Loan Party agree that this Agreement is an agreement within the meaning of sections 7 and 9 of the *Limitations Act (Alberta)* and section 4.33 of the *Alberta Rules of Court*.

## **ARTICLE 7**

### **RETENTION OF CONSULTANTS**

- 7.1 Liability for Agents' Fees.** The Loan Parties acknowledge and agree that they will be liable for the payment of the reasonable and documented fees, disbursements, and costs of any agents engaged by the Lender and that these fees shall form part of the Indebtedness, be guaranteed by the Guarantees, and be secured by the Security.
- 7.2 Lender May Pay Agents and Debit Loan Parties' Accounts.** The Loan Parties agree that the Lender may pay the reasonable and documented fees, disbursements, and costs of the Lender's agents and thereafter debit the Loan Parties' accounts maintained with the Lender, thereby increasing the Indebtedness owing by the Loan Parties to the Lender by the amount of such fees, disbursements, and costs, and all such amounts will be added to the aggregate Indebtedness owing by the Loan Parties to the Lender, and will be subject to the Lender Documents.

## **ARTICLE 8**

### **MISCELLANEOUS**

- 8.1 Confidentiality.** Save and except as provided for in this Agreement, the Loan Parties acknowledge and agree that the existence and terms of this Agreement constitute privileged and confidential information and the Loan Parties shall not by any means whatsoever disclose, transmit, release,

publish or disseminate to any other person in any fashion directly or indirectly the existence or any of the terms of this Agreement save and except:

- (a) as required by law;
- (b) as may be reasonably required for accounting and income tax purposes; or
- (c) with the prior written consent of the Lender.

- 8.2 Entire Agreement.** This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and may not be amended or modified except by written consent executed by all parties.
- 8.3 Rights Cumulative.** The Parties agree that all the rights and remedies of the Lender hereunder and under any agreement delivered pursuant hereto are cumulative and are in addition to, without prejudice to, and shall not be deemed to exclude, any other right or remedy allowed to the Lender hereunder or any agreement delivered pursuant hereto or under the Lender Documents, except as specifically set out herein.
- 8.4 Idem.** The Parties agree that all rights and remedies of the Lender may be exercised concurrently.
- 8.5 Lender's Records.** The Loan Parties acknowledges that the Lender maintains accounts and records evidencing the indebtedness of the Loan Parties, including all principal, interest, fees, costs and other amounts due and becoming due by the Loan Parties to the Lender, and agrees the Lender's records do and shall constitute, in the absence of manifest error, conclusive proof of the indebtedness of the Loan Parties to the Lender at any given time.
- 8.6 Communication by the Lenders.** Each Loan Party hereby waives its rights to confidentiality in respect of all communications the Lender or its agents have with, and hereby authorizes the Lender and its agents to communicate with, any shareholders, guarantors, creditors of the Loan Party, suppliers of the Loan Party, parties interested in providing financing to the Loan Party, parties interested in purchasing assets of the Loan Party or the Lender's security and position, and professionals retained by any of the foregoing parties (collectively, "**Interested Parties**") and each Loan Party shall provide such waivers and consents as may be required to ensure that the Interested Parties can fully and frankly discuss with the Lender all matters related to the Loan Party.
- 8.7 Management of Lender's Financial Risk.** Each Loan Party hereby acknowledges and agrees that the implementation and performance of this Agreement is to facilitate the Lender's management of its financial risk and to facilitate the Loan Parties' efforts to retire the indebtedness and does not constitute any form of management or control over any of the Loan Parties' assets or operations.
- 8.8 Legal Advice.** Each Loan Party acknowledges and represents that it has carefully read this Agreement, it knows and understands its contents, it has received all information and advice it requires, including independent legal advice, relating to the Lender Documents, this Agreement, and the credit arrangements between the Loan Parties and the Lender generally, or expressly hereby waives the right to same, and in this regard: (a) acknowledges and consents to this

Agreement; (b) voluntarily accepts the terms and conditions herein; and (c) agrees to be bound by the provisions of this Agreement.

**8.9 Confirmation.** Each Loan Party acknowledges receiving valuable consideration (the adequacy and sufficiency of which is specifically acknowledged) for its obligations hereunder and agrees that none of:

- (a) the terms of this Agreement; nor
- (b) any failure by the Lender to insist upon strict performance or observance of the requirements of its rights set forth in this Agreement or the Lender Documents, or any waiver or amendment by the Lender of any such requirements;

shall prejudice the Lender's rights under any or all of the Lender Documents nor shall sustain or constitute any defence or estoppel in favour of the Loan Parties in respect of enforcement the Lender Documents.

**8.10 Time of the Essence.** Time shall be of the essence in this Agreement.

**8.11 Notices.** Any notices under this Agreement may be delivered by courier or email transmission to the Parties at the addresses set forth below and, where so given, shall be deemed received by the recipient on the same business day as delivered or transmitted if delivered or transmitted prior to 3:00 p.m. (Calgary time), otherwise on the next business day:

if to the Lender:

Innovation Credit Union  
 350-7<sup>th</sup> Ave SW, 6<sup>th</sup> Floor  
 Calgary, Alberta T2P 3N9  
 Attention: Mr. Brad Appel  
 Email: brad.appel@innovationcu.ca

with a copy to:

Dentons Canada LLP  
 15 Flr-850 2 Street SW  
 Calgary, AB T2P 0R8  
 Attention: John Regush  
 Email: john.regush@dentons.com

if to the Loan Parties:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Email: \_\_\_\_\_

with a copy to:

Burnet, Duckworth & Palmer LLP  
2400, 525 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 1G1

Attn: Mr. James Murphy  
Email: jdm@bdplaw.com

- 8.12 **Applicable Law.** This Agreement shall be governed by the laws of the Province of Alberta and the parties hereby attorn to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta located in the judicial district of Calgary.
- 8.13 **No Amendment.** Save as expressly provided in this Agreement, nothing in this Agreement is intended to alter, amend, modify or limit the existence or the effectiveness of any agreement between the Loan Parties and the Lender, including, without limitation, the Lender Documents.
- 8.14 **Interpretation and Headings.** In this Agreement:
- (a) headings are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
  - (b) words importing the singular number include the plural and vice versa, and words importing gender include masculine, feminine and neuter;
  - (c) any reference to "this Agreement" or "this Forbearance Agreement" shall be a reference to this agreement and any reference to a Lender Document shall be a reference to the Lender Document as may from time to time be amended, supplemented modified, varied, restated or replaced;
  - (d) references to "herein", "hereunder", and similar expressions shall be a reference to this Agreement and not to any particular section;
  - (e) reference to a statute shall be deemed to refer to such statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding such statute or the regulations made pursuant thereto; and
  - (f) unless otherwise noted, all references to "Article" refer to an article, sub-article, paragraph or sub-paragraph of this Agreement, as the case may be.
- 8.15 **Conflict.** In the event that there is any conflict between the provisions of this Agreement and the Lender Documents, the provisions of this Agreement shall govern to the extent of the conflict.

**8.16 Currency and Time References.**

- (a) Unless otherwise noted, all references to currency shall be deemed to refer to Canadian Dollars.
- (b) Unless otherwise noted, all references to time shall be deemed to refer to Calgary, Alberta local time.

**8.17 Severability.** If any provision of any of this Agreement or the Lender Documents, or any part thereof is found or determined to be invalid, illegal or unenforceable, such provision shall be severable and the remainder of this Agreement and the Lender Documents, as the case may be, shall be construed as if such invalid, illegal or unenforceable provision or part had been deleted therefrom.

**8.18 No Waiver.** No provision of this Agreement shall be deemed waived by any course of conduct unless such waiver is in writing and signed by all parties, specifically stating that it is intended to modify this Agreement.

**8.19 No Prior Waivers, Reinstatement or Release by Lender.** Except as expressly set forth herein, the execution, delivery and effectiveness of this Agreement shall not directly or indirectly, (i) create any obligation to make any further extensions of credit or to continue to defer any enforcement action after the occurrence of any Termination Event; (ii) constitute a consent or waiver of any past, present or future violations of any provisions of the Lender Documents, as the case may be; (iii) amend, modify or operate as a waiver of any provision of the Lender Documents, as the case may be, or any right, power or remedy of the Lender; (iv) constitute a consent to any merger or other transaction or to any sale, restructuring or refinancing transaction; (v) constitute a course of dealing or other basis for altering the Lender Documents or any other contract or instrument. Except as expressly set forth herein, the Lender reserves all of its rights, powers and remedies under the Lender Documents and applicable law. All of the provisions of the Lender Documents, including without limitation, the time of the essence provisions, are hereby reiterated, and if ever waived, are hereby reinstated. This Agreement shall not be deemed or construed to be a satisfaction, restatement, novation or release of the Lender Documents, as the case may be.

**8.20 Perfection of Security.** All security interests in favour of Lender shall be registered or perfected in all such jurisdictions and against all such trade names as may be required, in the reasonable opinion of the Lender or its counsel, to preserve and protect the enforceability and priority of the Lender Documents. The Loan Parties waive any right to be provided with notice of any such registrations.

**8.21 Non-Performance of Covenants.** If any Loan Party fails to perform any of its covenants or agreements hereunder, the Lender may itself, but shall not be obliged to, perform or cause to be performed the same and all reasonable expenses incurred or payments made by the Lender in so doing shall be paid by the Loan Party to the Lender forthwith upon demand. Any such expenses or payments remaining unpaid after demand shall bear interest at the rates agreed to pursuant to the Lender Documents or this Agreement, as the case may be, from the date such expense or payment was incurred or made by the Lender until paid and shall be added to the Indebtedness, be guaranteed by the Guarantees, and be secured by the Security.

- 8.22 **Successors and Assigns.** This Agreement and the Lender Documents shall be binding and enure to the benefit of each of the parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 8.23 **Assignment.** The Loan Parties shall not assign any of their rights or obligations hereunder or thereunder, as the case may be, without the prior written consent of the Lender (which consent may be arbitrarily withheld). The Lender may, in its absolute and unfettered discretion, assign, without notice to the Loan Parties and without the consent of the Loan Parties, to an assignee of its own choosing all or any interest of the Lender in all or any of the Lender Documents and this Agreement, and any document, security, Judgment or Order granted or arising pursuant to this Agreement.
- 8.24 **Further Assurances.** The Parties hereby covenant and agree to do such further and other things that the other party may reasonably request to give full or better effect to the provisions of this Agreement.


*[Remainder of page intentionally blank]*



8.25 **Execution.** This Agreement may be executed in counterparts and delivered via emailed PDF (with duplicates to follow by ordinary post or delivery), and all counterparts, when taken together, shall constitute one Agreement.


IN WITNESS WHEREOF the parties hereto have executed these presents effective the date first above written.

**INNOVATION CREDIT UNION**

Per:   
Name: Brad Appel  
Title:

I have authority to bind the corporation.

**1764239 ALBERTA LTD.**

Per:   
Name: Phil Krahn  
Title:

I have authority to bind the corporation.

**OSTRANDER FAMILY HOLDINGS LTD.**

Per:   
Name: BRIAN OSTRANDER  
Title:

I have authority to bind the corporation.



**BRIAN OSTRANDER**

By:   
Brian Ostrander

**PHILIP KRAHN**

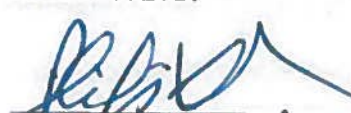
By:   
Philip Krahn

**CONCENTRA BANK**


Per:    
Name: Mardell Twamley Jennifer Kelly  
Title: Director Trust Sr. Trust Advisor

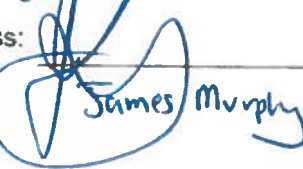
I have authority to bind the corporation.

**1885731 ALBERTA LTD.**

Per:   
Name: Phil Krahn  
Title:

I have authority to bind the corporation.

Witness:   
Name: James Murphy

Witness:   
Name: James Murphy

**AFFIDAVIT OF EXECUTION**

CANADA

PROVINCE OF ALBERTA

TO WIT:

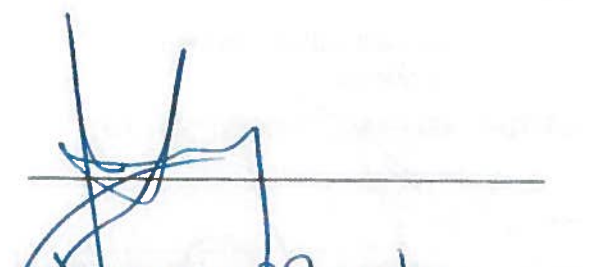
) I, James Murphy  
) of the City of Calgary,  
) in the Province of Alberta,  
) MAKE OATH AND SAY:  
)

1. I was personally present and did see Brian Ostrander named in the within Forbearance Agreement, who on the basis of identification provided to me I believe to be the person named therein, duly sign and execute the same.
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I believe the person whose signature I witnessed is at least the full age of eighteen (18) years.

Sworn before me at Calgary  
in the Province of Alberta, this  
11 day of March, 2020.

  
A Commissioner for Oaths in and for Alberta

**Brandi Lynn Hughes**  
Commissioner for Oaths  
in and for the Province of Alberta  
My Commission expires on October 29, 2020

)  
)  
)  
)  
)  
)  
)  
)  
  
James Murphy  
(print name of witness)

**GUARANTEES ACKNOWLEDGMENT ACT  
(SECTION 3)**

**CERTIFICATE**

I HEREBY CERTIFY THAT:

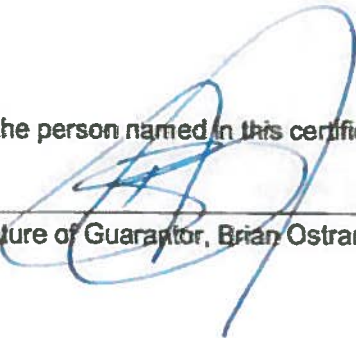
1. Brian Ostrander, the guarantor in the guarantee dated Mar 11, 2020 made between Innovation Credit Union and Concentra Bank, on the one part, and 1764239 Alberta Ltd., 1885731 Alberta Ltd., Ostrander Family Holdings Ltd., Brian Ostrander, and Philip Krahn, on the second part, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by James, Lawyer at the City of Calgary  
at Alberta this 11 day of Mar, 2020

  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

  
Signature of Guarantor, Brian Ostrander

**AFFIDAVIT OF EXECUTION**

CANADA

PROVINCE OF ALBERTA

TO WIT:

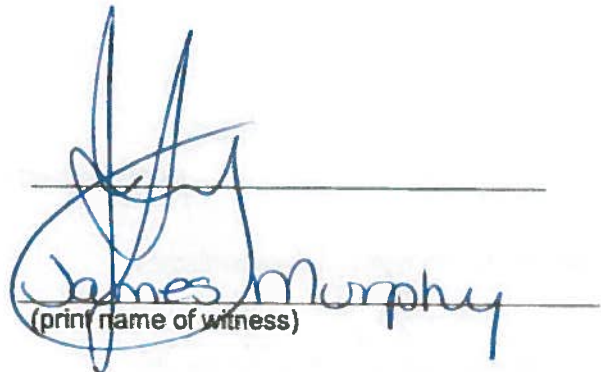
) I, James Murphy  
) of the City of Calgary  
) in the Province of Alberta,  
) MAKE OATH AND SAY:  
)

1. I was personally present and did see Philip Krahn, named in the within Forbearance Agreement, who on the basis of identification provided to me I believe to be the person named therein, duly sign and execute the same.
2. That the same was executed at the City of Calgary in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I believe the person whose signature I witnessed is at least the full age of eighteen (18) years.

Sworn before me at Calgary  
in the Province of Alberta this  
11 day of March, 2020.

  
A Commissioner for Oaths in and for Alberta

**Brandi Lynn Hughes**  
Commissioner for Oaths  
in and for the Province of Alberta  
My Commission expires on October 29, 2020

  
\_\_\_\_\_  
(print name of witness)  
James Murphy

**GUARANTEES ACKNOWLEDGMENT ACT  
(SECTION 3)**

**CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Philip Krahn, the guarantor in the guarantee dated March 11, 2020 made between Innovation Credit Union and Concentra Bank, on the one part, and 1764239 Alberta Ltd., 1885731 Alberta Ltd., Ostrander Family Holdings Ltd., Brian Ostrander, and Philip Krahn, on the second part, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by James Murphy Lawyer at the City of Calgary  
at Alberta this 11 day of Mar, 2020

  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

  
Signature of Guarantor, Philip Krahn

**Schedule "A" – Consent Judgement**

**Schedule "B" – Consent Receivership Order**

**Schedule "C" – Consent Redemption Order - Listing**



**Schedule "D" – Consent Bankruptcy Orders**

