

COURT FILE NUMBER 1601-08655
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF STERLING BRIDGE MORTGAGE CORP.
DEFENDANTS HERITAGE PLAZA DEVELOPMENTS INC., and ALI GHANI
DOCUMENT **FIRST AND FINAL REPORT OF THE COURT APPOINTED
RECEIVER AND MANAGER OF HERITAGE PLAZA
DEVELOPMENTS INC.**

DATED APRIL 24, 2017

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Counsel
Dentons Canada LLP
Bankers Court
15th Floor, 850 – 2nd Street S.W.
Calgary, AB T2P 0R8

Attention: David Mann/Afshan Naveed

Telephone/Facsimile: 403-268-7097 / 403-268-3100
File No.: 177191-2981

Receiver and Manager

Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8

Attention: Robert J. Taylor

Telephone/Facsimile: 403-267-0501 / 403-718-3681
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INTRODUCTION

- 1) Pursuant to an Order (the "**Receivership Order**") of the Court of Queen's Bench of Alberta (the "**Court**") on December 14, 2016 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of the undertaking, property and assets of Heritage Plaza Developments Inc. ("**HPD**" or the "**Company**"), together with all outstanding and accruing rentals, which situate on the Mortgaged Lands (as defined later in this report). A copy of the Receivership Order is attached hereto as Appendix "**A**".
- 2) The Receivership Order was granted as a result of an application by Sterling Bridge Mortgage Corp. ("**Sterling Bridge**"), who holds registered security over all of the Company's present and after-acquired real and personal property (the "**Sterling Bridge Security**") and the consent of counsel for the Defendants.
- 3) Also on December 14, 2016, the Court granted a further Order (the "**Redemption Order**" or "**Judicial Listing Order**") which set out certain terms, conditions, a listing price and minimum listing period in connection with the sale of the Mortgaged Lands by a realtor. A copy of the Judicial Listing Order is attached as Appendix "**B**".
- 4) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada).

The Receivership Order, together with related Court documents, the Notice to Creditors and this first and final report (the "**Report**") have been posted on the Receiver's website (the "**Receiver's Website**") at <http://www.insolvencies.deloitte.ca/en-ca/Pages/Heritage-Plaza-Developments-Inc.aspx>.

- 5) Unless otherwise provided, all other capitalized terms not defined in this First Report are as defined in the Receivership Order or Judicial Listing Order.

Purpose

- 6) The purpose of this Report is to:
 - a) Provide the Court with additional information with respect to the Mortgaged Lands;
 - b) Respectfully recommend that this Honourable Court:
 - i. Approve the Receiver's Statement of Receipts and Disbursements for the period from December 14, 2016 to April 19, 2017;
 - ii. Authorize the Receiver to forward any future refunds or other residual cash receipts to Sterling Bridge;
 - iii. Approve the activities of the Receiver as described in the Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order and Judicial Listing Order, collection of rents and investigations to date;
 - iv. Approve the professional fees and disbursements of the Receiver, including the payment of estimated fees to completion, as set out herein;

- v. Approve the discharge of the Receiver after disbursement of all funds held and concluding administrative matters; and
- vi. Provide such further or other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

- 7) In developing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.

Currency

- 8) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 9) HPD is a private company that was incorporated in the Province of Alberta in October 2006. Mr. Ali Ghani ("**Ghani**") is the sole shareholder and director of HPD.
- 10) The Company had purchased land described as Plan 0710874 Block 7 Lot 59 (the "**Property**" or the "**Mortgaged Lands**") for a commercial development project known as Mountain Ridge Plaza (the "**Project**") located at 100 Horse Creek Road, Cochrane, Alberta.
- 11) Prism Group of Companies, a related party to Prism Franchising, was listed as the developer of the Project.
- 12) The Project comprises:
 - a) A two-story building consisting of six (6) units totaling approximately 20,000 square feet, of which four (4) are occupied and two (2) are unfinished and unoccupied. The ground floor consists of two (2) finished units which are occupied by a liquor store and a fast food restaurant, as well as two (2) unfinished and unoccupied units. The upper level consists of 2 occupied units which include a private child daycare centre and a fitness facility; and
 - b) A vacant standalone building of approximately 13,000 square feet of unfinished, unoccupied and undivided space which was originally intended to be a multi-tenant medical building.
 - c) A potential third building which was never constructed.

POWERS OF THE RECEIVER

- 13) The Receivership Order authorized the Receiver to, among other things, manage, administer, maintain and operate the Mortgaged Lands.
- 14) The Receivership Order also authorized the Receiver to borrow up to \$100,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**").

POSSESSION AND CONTROL OF THE ASSETS

- 15) HPD's corporate head office was located at 228, 1935 – 32 Avenue NE in Calgary, Alberta (the "**Calgary Office**"). The Receiver understands that all or certain of the Prism entities also operated from this address.
- 16) Based on the limited financial information which Ghani provided to the Receiver, the only known assets of the Company consist of the Mortgaged Lands located in Cochrane, Alberta.
- 17) The Receiver took the following steps with respect to the assets and operations of the Company:
 - a) On December 15, 2016, the Receiver contacted Ghani of HPD and its legal counsel, Henning Byrne LLP, to request the books and records of the company and to coordinate a site meeting;
 - b) On December 16, 2016, the Receiver followed up with Ghani to request the books and records and a meeting at the Property. The Receiver attended the Calgary Office upon not receiving a response from Ghani and noted that the Calgary office was closed. Ghani subsequently advised he was not present in Alberta and was otherwise unavailable to correspond with the Receiver in a meaningful manner. The Receiver proceeded to attend at the Mortgaged Lands;
 - c) Arranged for a locksmith to attend at the Property to rekey the locks of the vacant building, including certain entry points which were not previously secured. The locksmith also rekeyed locks for all utility rooms;
 - d) Arranged to have all utilities for the common areas and vacant units transferred to the Receiver;
 - e) Provided notice of the Receiver's appointment to the Company's insurance broker, and arranged for the renewal HPD's insurance policy which expired on December 23, 2016;
 - f) Arranged for the redirection of HPD's mail to the Receiver's office;
 - g) Contacted CRA to open a new GST account to facilitate GST filings for the period subsequent to the Date of Receivership;
 - h) Issued a letter and a copy of the Receivership Order to tenants/occupants notifying them of the Receiver's appointment and providing contact information;

- i) Arranged for continued waste disposal services and snow removal services to clear the parking lot and sidewalks on a contract basis; and
 - j) Engaged a contractor to perform an inspection of the elevator in the two-story building which was non-operating at the Date of Receivership. Repairs to the elevator have since been made, most of which were under warranty. A further elevator inspection was performed and the elevator is now operational.
- 18) Ghani advised the Receiver that no amounts were owing to Canada Revenue Agency ("**CRA**") at the Date of Receivership in respect of payroll remittances. The Receiver has confirmed with CRA that the Company did not hold a payroll account.
- 19) On January 18, 2017, CRA requested information for an audit of the Company's GST account. The Receiver requested the books and records from the Company to facilitate CRA's request. The records were never produced. Accordingly, CRA advised the Receiver that it would contact Ghani directly to obtain the necessary records. We received correspondence from CRA dated February 22, 2017 advising the Receiver that CRA was unable to obtain the books and records and consequently, CRA takes the position there is no GST credit available to HPD which was estimated to be approximately \$20,000.
- 20) The Receiver confirmed there were no funds held in HPD's bank account at the Date of Receivership.
- 21) Ghani advised the Receiver that all tenant deposits received had been used to pay for construction costs of the Project.

CREDITORS AND SECURED CHARGES

- 22) The Receiver sourced an Alberta Land Title Certificate dated December 15, 2016 which is attached hereto as Appendix "**C**" which indicated the following:
- a) Sterling Bridge Mortgage Corp. ("**Sterling Bridge**") has a registered mortgage dated November 3, 2015 in the original principal amount of \$8,500,000;
 - b) Harbouredge Commercial Finance Corporation ("**Harbouredge**") has a registered mortgage dated July 21, 2016 in the original principal amount of \$187,100;
 - c) A builder's lien registered by Primetime Electric Limited in the amount of \$43,223; and
 - d) A builder's lien registered by 715942 Alberta Ltd. in the amount of \$180,066.
- 23) The Receiver also conducted an Alberta Personal Property Registry search and the report dated December 15, 2016 is attached hereto as Appendix "**D**", which reflected two registrations by Sterling Bridge and Harbouredge. There are two registered secured creditors: Sterling Bridge Mortgage Corp. and Harbouredge Commercial Finance Corporation.
- 24) As set out in paragraph 4 of the Judicial Listing Order, there was an outstanding balance as at September 30, 2017 in the approximate amount of \$7.8 million, before costs and

other charges, owing on the Sterling Bridge mortgage (the "**Sterling Bridge Indebtedness**").

- 25) In respect to Harbouredge, Sterling Bridge takes the position that Harbouredge's security is deficient, such that the signage is a fixture and in Sterling Bridge's view, its security takes priority over Harbouredge.
- 26) Property taxes owing to the Town of Cochrane were approximately \$79,078 at the Date of Receivership.
- 27) A creditor listing was never provided by Ghani. Based on correspondence with creditors, the Receiver understands there are unsecured amounts totaling at least \$4,400 at the Date of Receivership.
- 28) On April 19, 2017, the Receiver was contacted by a third party by email and was provided with a letter and a share certificate dated March 1, 2012 in connection with the purchase of 20 Class B preferred shares of HPD in the amount of \$100,000. The letter was printed on Prism Investments letterhead and signed by Ghani as CEO and Ricky Arshi as President. A copy of this party's email dated April 19, 2017, together with the share certificate and letter, is attached hereto as Appendix "E". Ghani did not disclose any such arrangements to the Receiver.

OPERATIONS

- 29) The Receiver obtained copies of the leases in place from Sterling Bridge to review and complete the estimated monthly rent roll attached as Appendix "F".
- 30) While all tenants were required to advance monthly operating costs to HPD, the tenants were granted significant rent-free periods of varying lengths.
- 31) The Receiver obtained corporate search reports for each tenant and noted that two entities, 1622959 Alberta Ltd. operating as Anytime Fitness and 1243599 Alberta Ltd. operating as Freshii, may be related or non-arm's length with Ghani.
- 32) The Receiver reviewed three additional executed lease agreements provided by Sterling Bridge relating to the unfinished units. Ghani advised the Receiver that the various prospective tenants decided to formally or informally terminate their leases for the unfinished building.
- 33) In addition, the Receiver reviewed three Offer's to Lease provided by Sterling Bridge. Ghani advised the Receiver that the offers to lease never materialized due to various construction delays.
- 34) The Receiver contacted these six parties to determine if there was any remaining interest in the unleased space. No responses or expressions of interest were received.

JUDICIAL LISTING OF THE PROPERTY

- 35) In accordance with the Judicial Listing Order, CBRE Limited ("**CBRE**"), an internationally recognized and respected real estate firm, was engaged on January 16,

2017 and listed the Property for sales at \$9,500,000 for the 90 day term, which expired on April 16, 2017.

- 36) CBRE utilized various marketing tools including, but not limited to, the CBRE website, email and physical brochure mail outs to retail landlords and investors, targeted telephone communications, and signage on the Property.
- 37) CBRE advised the Receiver that it presented the Property to approximately one thousand (1,000) prospective purchasers and interested parties through the various contact lists available to them. In addition, the Receiver provided to CBRE the contact information of five (5) interested parties who contacted the Receiver directly.
- 38) Twelve (12) parties signed confidentially agreements with CBRE to review additional documentation on the Property.
- 39) At the expiry of the Judicial Listing, April 16, 2017, CBRE had received two informal offers. Both offers were not considered to be commercially reasonable by CBRE and a representative of Sterling Bridge's lending syndicate. Further, the Receiver understands that the second offer was retracted by the prospective purchaser following additional due diligence. Neither informal offer materialized in formal written offers to purchase in the form required by Sterling Bridge.
- 40) CBRE informed the Receiver that the list price was not achievable due to the risks associated with vacancy, time to lease, construction costs for the unfinished space and the Property's income potential.
- 41) A copy of CBRE's marketing report dated April 17, 2017 is attached hereto as Appendix "G".

FEES AND DISBURSEMENTS OF THE RECEIVER

- 42) The accounts of the Receiver are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
- 43) The Receiver has work-in-progress for the period December 14, 2016 to April 19, 2017 in the amount of \$48,004 (excluding GST).
- 44) The Receiver estimates it will incur approximately \$8,000 (excluding GST) in connection with this Report, Court application, finalizing all administrative matters and obtaining its discharge. Detailed time records supporting the invoices are available in the offices of the Receiver.
- 45) The Receiver did not retain independent legal counsel during the receivership proceedings, and accordingly, incurred no legal fees.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 46) Attached as Appendix "H" is a Statement of Receipts and Disbursements reflecting the administration of the receivership for the period December 14, 2016 to April 19, 2017 for HPD.

- 47) As at April 19, 2017, the Receiver holds in its receivership account approximately \$45,704. The Receiver anticipates that the funds it holds will be applied against its professional fees such that no funds will be available for distribution. The balance of the Receiver's fees will be paid by Sterling Bridge.

CONCLUSIONS AND RECOMMENDATIONS

- 48) The Receiver has concluded the majority of its administration of the receivership. Upon disbursing the remaining funds, completing the final GST returns, providing a final report to the Official Receiver and closing the Receiver's trust accounts, the Receiver is not aware of its services being required for any further purpose herein, and is therefore of the view that it should be discharged from its mandate.
- 49) Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 6 b) of the Report and such further and other relief as this Honourable Court deems appropriate in the circumstances.

All of which is respectfully submitted at Calgary, Alberta this 24th day of April, 2017.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as
Court appointed Receiver and Manager of
The Property (as defined herein)
And not in its personal or corporate capacity



Robert J. Taylor, FCA, FCPA, CIRP, LIT, CFE
Senior Vice-President

I hereby certify this to be a true copy of
the original Order
dated this 14 day of Dec 2016
for Clerk of the Court

APPENDIX "A"



COURT FILE NUMBER 1601-08665
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF(S) STERLING BRIDGE MORTGAGE CORP.
DEFENDANT(S) HERITAGE PLAZA DEVELOPMENTS INC., and
ALI GHANI
DOCUMENT CONSENT ORDER FOR RECEIVER AND
MANAGER
ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT Dentons Canada LLP
Bankers Court
15th Floor, 860 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David Mann/Afshan Naveed
Ph. (403) 268-7097/7015 Fx. (403) 268-3100
File No.: 177191-298

| | |
|--------------------------------------|-------------------|
| DATE ON WHICH ORDER WAS PRONOUNCED: | December 14, 2016 |
| LOCATION WHERE ORDER WAS PRONOUNCED: | Calgary, AB |
| NAME OF MASTER WHO MADE THIS ORDER: | J.L. Mason |

UPON the Application of Sterling Bridge Mortgage Corp. ("Sterling") in respect of Heritage Plaza Developments Inc. (the "Heritage"); **AND UPON** having read the Application, the Affidavit of Keith Prosser sworn, October 11, 2016; **AND UPON** hearing counsel for Sterling; **AND UPON** noting the consent of counsel for the Defendants endorsed hereon;

AND UPON IT APPEARING that the Plaintiff's mortgage is in default and that rents and profits are arising out of the lands that are subject to that mortgage; **AND UPON IT APPEARING** to be just and equitable to appoint a Receiver and Manager;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Pursuant to section 49 of the *Law of Property Act*, RSA 2000, c L-7 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, Deloitte Restructuring Inc., (the "Receiver and Manager") be and is hereby appointed as Receiver of all the rentals due and accruing due now or hereafter from the lands and premises described as:

PLAN 0710874

BLOCK 7
LOT 59
EXCEPTING THEREOUT ALL MINES AND MINERALS
Area: 1.118 Hectares (2.76 Acres) More or Less
("the Mortgaged Lands")

and appointed as Manager of the undertaking, property and assets of the Defendant, Heritage Plaza Developments Inc., situate upon or relating to the Mortgaged Lands and premises.

2. The Receiver and Manager shall have all such powers as this Court may from time to time deem expedient, or as are inherent in the office, and without restricting the generality of the foregoing, shall have the power from time to time:
 - (a) to manage, administer, maintain and operate the Mortgaged Lands;
 - (b) to lease and re-let the Mortgaged Lands, or any part thereof, and to renegotiate leases thereof, as it may in its discretion deem advisable;
 - (c) to investigate any charges or liens registered against the Mortgaged Lands;
 - (d) to terminate leases or obtain possession, or both with respect to the Mortgaged Lands, or any part thereof;
 - (e) to collect the rents, profits and other receipts arising from the Mortgaged Lands, or any part thereof;
 - (f) to distrain and pursue other remedies available at law or in equity for rent in arrears in the same manner and with the same right of recovery as a landlord;
 - (g) from time to time to borrow moneys for the purpose of carrying out duties and powers hereunder, including (without limitation) borrowing moneys from the Plaintiff, (provided that no more than \$ 100,000.00 in the aggregate shall be borrowed without further leave of this Court) and to repay and again borrow moneys within the aforesaid limits; all moneys so borrowed to be a charge upon the Mortgaged Lands bearing the same priority as the Plaintiff's mortgage described in the Statement of Claim;
 - (h) to affect repairs and to make improvements needed to render the Mortgaged Lands rentable and to pay for the cost of the same;
 - (i) to collect and administer damage deposits and other security deposits;
 - (j) such other powers as may be deemed just and necessary by this Court from time to time.
3. The Receiver and Manager shall be at liberty to employ such agents and assistants, including the appointment of solicitors, as it may consider necessary for the purpose of preserving the said property and assets of the Defendant, Heritage, carrying on the business and undertaking on the Mortgaged Lands and exercising any of the powers granted hereunder, and that any expenditure which shall properly be made or incurred by the Receiver and Manager in so doing shall be allowed in passing its accounts and shall for all purposes be deemed to be a disbursement referred to in paragraph 6(a) hereof.

4. The Defendants shall at once deliver over to the Receiver and Manager all the books, documents and papers of every kind, all damage or security deposits received from or in respect of the Mortgaged Lands, all post-dated cheques and any and all rent and other payments which may hereafter fall due from the tenants, which the Defendants have or will have in their power or possession, relating to the business and undertaking on the Mortgaged Lands.
5. The Defendants shall respond to any inquires reasonably made by the Receiver and Manager with respect to any information relating to the business and undertaking on the Mortgaged Lands.
6. The Receiver and Manager shall pay the proceeds of any rents, profits and other moneys collected or received by it as follows:
 - (a) first, towards fees and disbursements allowed to the Receiver and Manager as and by way of remuneration for its services as Receiver and Manager, including any disbursements for normal operating expenses and utilities; the Receiver and Manager shall be entitled to and is hereby granted a charge (the "Receiver's Charge") on the Mortgaged Lands, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Mortgaged Lands in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person;
 - (b) second, in payment of taxes accruing due or owing on the Mortgaged Lands;
 - (c) third, to repay any moneys borrowed by the Receiver and Manager as permitted hereby;
 - (d) fourth, in reduction of the claims of the Plaintiff for the outstanding balance owing from time to time in care of its solicitors, Dentons Canada LLP, as may be proved to the satisfaction of the Receiver and Manager, and such costs and expenses, including legal costs on a solicitor and client (or other appropriate) basis, as may be allowed by this Court;
 - (e) the balance, if any, remaining shall be paid into Court subject to the further order of this Court upon application by an interested party.
7. Prior to payment of the fees which it proposes to charge by way of account or interim account for remuneration in its capacity as Receiver and Manager, the Receiver and Manager shall from time to time provide to the Solicitors for the Plaintiff statements of the said fees.
8. Prior to discharge, the Receiver and Manager shall have its accounts approved by the Court.
9. The Receiver and Manager shall not be required to furnish any security or bond for the due performance of its duties.
10. Service of this Order on the Defendants may be sufficiently effected by upon the Defendants by serving their counsel David Grossman of Henning Byrne LLP by e-mail at the address of grossman@henningbyrne.com.
11. A true copy of this Order shall be served upon the person appointed or employed by the Defendants to collect the rents and all other payments from the Mortgaged Lands, or alternatively upon the tenant(s) presently or in future occupying the unit(s) on the Mortgaged Lands, which

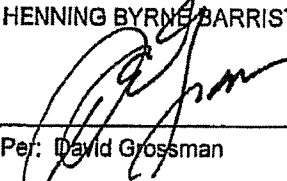
service may be effected by personally serving the said employee, or alternatively any adult apparently living in the unit(s) in question or by leaving a true copy of this Order at the unit(s) in question, as the case may be.

12. Forthwith upon service of a true copy of this Order as aforesaid, any and all rental payments which may then be due or may thereafter fall due from time to time relating to the Mortgaged Lands, or any part thereof, shall be paid to the Receiver and Manager, and that payment of the rentals to the Receiver and Manager as aforesaid, shall be deemed, as to those rentals received, to be an effective payment of such rental to the landlord.
13. The Plaintiff shall be entitled to its costs, taxed as between solicitor and client, including all costs and expenses of the Receiver and Manager.
14. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.
15. No Proceeding against or in respect of the Mortgaged Lands shall be commenced or continued except with the written consent of the Receiver and Manager or with leave of this Court and any and all Proceedings currently under way, with the exception of the within Action by the Plaintiff, against or in respect of the Mortgaged Lands are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent the Plaintiff from continuing the within Action; (ii) prevent any person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 13; and (iii) affect a Regulatory Body's investigation in respect of the Defendants or the Mortgaged Lands or an action, suit or proceeding that is taken in respect of the Defendants or the Mortgaged Lands by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.
16. The Receiver and Manager, may from time to time apply to this Honourable Court for direction and guidance in the discharge of its duties as Receiver and Manager.


Master in Chambers

CONSENTED TO THIS 29 DAY OF OCTOBER, 2016

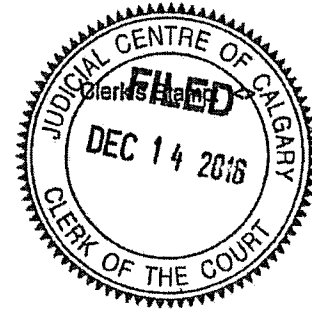
HENNING BYRNE BARRISTERS AND SOLICITORS


Per: David Grossman

Solicitors for the Defendants

I hereby certify this to be a true copy of
 the original Order
 dated this 14 day of Dec 2016

 for Clerk of the Court



COURT FILE NUMBER 1801-08655
 COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF **STERLING BRIDGE MORTGAGE CORP.**
 DEFENDANTS **HERITAGE PLAZA DEVELOPMENTS INC., and
 ALI GHANI**
 DOCUMENT **CONSENT REDEMPTION ORDER LISTING**
 ADDRESS FOR SERVICE AND CONTACT
 INFORMATION OF PARTY FILING THIS
 DOCUMENT
 Dentons Canada LLP
 Bankers Court
 15th Floor, 850 - 2nd Street S.W.
 Calgary, Alberta T2P 0R8
 Attention: David Mann/Afshan Naveed
 Ph. (403) 288-7097/7015 Fx. (403) 268-3100
 File No.: 177191-298

| | |
|--------------------------------------|-------------------|
| DATE ON WHICH ORDER WAS PRONOUNCED: | December 14, 2016 |
| LOCATION WHERE ORDER WAS PRONOUNCED: | Calgary, AB |
| NAME OF MASTER WHO MADE THIS ORDER: | J.L. Mason |


UPON the application of the Plaintiff; AND UPON reading the Statement of Claim, the Affidavit of Keith Prosser, sworn October 11, 2016, the Certified copy of Title and the Affidavit of Value and Valuator's Report and evidence of service thereof; AND UPON hearing counsel for the Plaintiff; AND UPON noting the consent of counsel for the Defendants endorsed hereon;

IT IS HEREBY ORDERED AND DECLARED THAT:

- The Plaintiff is entitled to Summary Judgment *as against the corporate vsm defendant only. vsm.*
- In this order the mortgaged lands are the following:
 PLAN 0710874
 BLOCK 7
 LOT 69
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 1.118 HECTARES (2.76 ACRES) MORE OR LESS
 (the "Mortgaged Lands")
- The mortgage described in the Statement of Claim is a valid and enforceable mortgage over the Mortgaged Lands.

4. ✓
J.M. There is outstanding, due and owing to the Plaintiff under the mortgage the sum of \$ 7,806.30 ⁹⁵ as at the 30 day of September, 2016 (as set forth in the statement of secured indebtedness which is attached to this Order), plus costs on a solicitor and client basis, plus interest thereafter at the mortgage rate, plus other amounts chargeable under the mortgage (the "Indebtedness"). Prior to the entry of this order the assessment officer shall check the amounts claimed in the statement of secured indebtedness, including the particulars provided in the Affidavit of Default and the Plaintiff's calculations. If the assessment officer returns this order unentered then the Plaintiff may either submit a corrected order or seek the advice and direction of the court. The requirement for service of documents prior to entry of this order, set out in Rule 9.35(1)(a), is hereby waived.
5. The Defendants and subsequent encumbrancers have one month from service of this order upon them to apply to vary the amount declared owing pursuant to the preceding paragraph with respect to any amounts not disclosed in the Affidavit of Default served in support of the application for this order.
6. The Defendants or anyone else entitled to do so shall have until one day from the date of service of this order upon the Defendants (the "Redemption Date") to repay the Indebtedness, failing which the Mortgaged Lands shall be offered for sale in the manner described in the judicial listing agreement attached to this order. Subject to further Order of the Court, and subject to paragraph 12 of this order, this Action is stayed until the Redemption Date.
7. If the Defendants, or anyone entitled to do so, repays the Indebtedness prior to the Mortgaged Lands being sold or foreclosed in these proceedings, then the Plaintiff shall provide to the person who paid the Indebtedness, at the election of such person, either a registrable discharge of the mortgage, or a registrable transfer of the mortgage.
8. ~~Provided that the mortgage has not matured, if the defendants, or anyone entitled to do so, pays all arrears owing under the mortgage, including solicitor and client costs, then this Action is stayed so long as payments under the mortgage remain current.~~ J.M.
9. If the Indebtedness has not been repaid by the Redemption Date then the Mortgaged Lands shall be listed for sale with a licensed real estate agent (the "Realtor") to be selected at the sole discretion of the Plaintiff, upon the terms and conditions mentioned in the directions to realtor attached to this order.
10. The Realtor shall be entitled to post a "FOR SALE" sign of the type customarily posted by a realtor at a conspicuous location on the Mortgaged Lands, which sign shall remain during the period of the judicial listing and shall not be interfered with by any person.
11. During the period of the judicial listing ordered herein, the Defendants and any person in possession of the Mortgaged Lands shall cooperate with the Realtor, and shall allow access to the Mortgaged Lands to the Realtor, any representative of the Realtor, any other realtor approved by the Realtor, and any prospective purchaser, upon receiving (24) hours written notice given by the Realtor for a viewing between 8:00 A.M. and 8:00 P.M. The written notice may be posted on the front door of the premises located on the Mortgaged Lands.
12. Any and all other real estate listings relative to the Mortgaged Lands shall be cancelled during the period of the judicial listing ordered herein.

13. If the Mortgaged Lands become vacant or abandoned during the course of this action then the Plaintiff may enter the Mortgaged Lands for the purpose of doing any and all things necessary to preserve them, and the Plaintiff shall not be considered a mortgagee in possession or trespasser.
14. With respect to the annexed statement of secured indebtedness:
 - (a) where nothing is claimed with respect to a listed category, the word "nil" shall be inserted opposite, and,
 - (b) where amounts are claimed for any of items 4 through 12, documents substantiating such claims shall be provided in affidavit form to the assessment officer for review prior to the entry of this order.
15. Service of this order and all subsequent documents in this action may be served upon the Defendants, by serving their counsel David Grossman of Henning Byrne LLP by e-mail at the address of grossman@henningbyrne.com.
16. The Plaintiff is awarded costs of this action on a solicitor and own client basis, which shall be assessed at a future date without notice unless the defendant filed a Statement of Defence, or filed a Demand for Notice, or appeared at the application where this order was granted, in which case, unless the Defendants have approved the amount of costs sought, the Plaintiff shall have such costs assessed on notice pursuant to Rule 10.37.



MASTER IN CHAMBERS

CONSENTED TO THIS 27 DAY OF OCTOBER, 2016

HENNING BYRNE BARRISTERS AND SOLICITORS



Per David Grossman

Solicitors for the Defendants

JUDICIAL LISTING AGREEMENT

TO: The Realtor

1. You are hereby given authority as an officer of the Court to list for sale the mortgaged lands with the Multiple Listing Service, if any, in effect in the area in which the property is located.
2. The mortgaged lands shall be offered for sale subject to registered encumbrances, liens and interests prior to the plaintiff's mortgage but free and clear of all registered encumbrances, liens and interests subsequent to the plaintiff's mortgage.
3. The listing price shall be \$9,500,000.00 or such higher price as you may recommend after a comparative market analysis is conducted by you prior to the commencement of this judicial listing.
4. The listing shall take effect on the later of the day after the Redemption Date or the date the listing is accepted in writing by the realtor, and shall continue for a period of 90 days thereafter.
5. Within a reasonable time of receiving any offer, you shall forward a true copy of the said offer to counsel for the plaintiff. If the offer is insufficient to pay out the plaintiff it may be rejected by the plaintiff. Otherwise counsel for the plaintiff shall either apply without notice to reject an offer or apply on notice for the court to consider that offer. Where the plaintiff rejects an offer, or obtains an order without notice rejecting an offer, it shall forthwith serve the defendants and subsequent encumbrancers with a copy of such offer.
6. If no offers are received during the listing period, you shall so advise counsel for the plaintiff in writing, immediately following the expiry of the judicial listing.
7. In the event that, as a result of the listing, a purchaser is introduced whose offer is accepted by the Court, and the transaction is completed by the purchaser paying the full purchase price and title is registered in the name of the purchaser or its nominee, then, in such event, you will receive a commission as follows:

2.75% of the gross purchase price plus applicable taxes thereon
8. You shall have a first charge against the sale proceeds in the amount of any commission payable hereunder. If the Court accepts an offer to purchase and the purchaser fails to complete the purchase, and the Court does not order relief from forfeiture of the deposit, you will retain, as compensation for services rendered, fifty per cent (50%) of the said deposit (provided such amount does not exceed the commission payable had the sale been fully completed) and you will pay the balance of the deposit to counsel for the plaintiff to be applied against the indebtedness.
9. If the defendant, any subsequent encumbrancer, or anyone else entitled to do so, pays all principal, interest and other amounts owing under the mortgage at any time after the judicial listing takes effect, or brings the mortgage current after the judicial listing takes effect, there shall be paid as part of the costs of redemption, the reasonable expenses incurred by you as the Realtor during this judicial listing.
10. All offers submitted pursuant to the judicial listing shall, subject to further order of the Court:

- (a) be in writing and shall be signed by the offeror; and
 - (b) be subject to the approval and acceptance by the Court on such terms as the Court considers appropriate; and
 - (c) provide for a possession date to be determined by the Court; and
 - (d) contain and be subject to the terms and conditions as are contained in Schedule "A" which is attached to these directions; and
 - (e) be accompanied by a certified cheque or money order payable to your real estate company for the deposit amount referred to in the offer.
11. Nothing in the listing shall:
- (a) affect the plaintiff's right to make a proposal to purchase the mortgaged property, if applicable or otherwise acquire the mortgaged property after the expiry of the judicial listing without liability for any real estate commission or any other compensation payable to the Realtor hereunder;
 - (b) create or impose any liability on the plaintiff or the Court for the payment of any real estate commission or other compensation arising out of this listing.
12. The terms of the listing may be modified by the Court on application of any party or subsequent encumbrancer on five days notice.

ACCEPTED THIS ___ DAY OF _____, 20___

By: _____

An Agent licensed pursuant to the Real Estate Act, R.S.A. 2000, c. R-5

APPROVED THIS 14 DAY OF December 2016

MASTER/IN CHAMBERS

SCHEDULE "A" TO THE REAL ESTATE PURCHASE CONTRACT entered into between
THE COURT OF QUEEN'S BENCH OF ALBERTA (the "Seller")

and

<> (the "Buyer")

The terms of this schedule replace, modify or add to the terms of the agreement of purchase and sale (the "Real Estate Purchase Contract") to which this schedule is attached. Where there is any inconsistency between the terms of this Schedule and the Real Estate Purchase Contract, the provisions of this Schedule shall prevail.

AS IS - WHERE IS

1. The Buyer acknowledges and agrees to purchase the mortgaged lands, all buildings and improvements located on the mortgaged lands (the "Property"), and any and all fixtures ("Attached Goods") and chattels ("Unattached Goods") included in the Real Estate Purchase Contract or included in the sale of the property, "as is" and agrees with the Seller that neither the Seller, nor its agents or representatives have made any representations or warranties with respect to the Property or any Attached Goods or Unattached Goods included in the sale of the Property. Without limiting the generality of the foregoing, the Buyer agrees that neither the Seller nor its agents have made any representations or warranties with respect to:
 - (a) the condition of any buildings or improvements located on the Property;
 - (b) the condition of any Attached Goods or Unattached Goods included in the Real Estate Purchase Contract or otherwise sold with the Property;
 - (c) whether the Property complies with any existing land use or zoning bylaws or regulations, or municipal development agreements or plans;
 - (d) the location of any buildings and other improvements on the Property and whether such location complies with any applicable municipal bylaws or regulations;
 - (e) whether or not any buildings or improvements located on the Property encroach onto any neighbouring lands or any easements or rights of way;
 - (f) whether or not any buildings or improvements located on any neighbouring lands encroach onto the Property;
 - (g) the size and dimensions of the Property or any building or improvements located thereon;
 - (h) whether or not the Property is contaminated with any hazardous substance; and
 - (i) whether or not any of the buildings or other improvements located on the Property have been insulated with urea formaldehyde insulation.

OWNERSHIP OF UNATTACHED GOODS

2. The Buyer agrees that the Seller is selling only such interest as it may have in any Attached goods or Unattached Goods referred to in the Real Estate Purchase Contract, or which may be located on the Property, and the Seller does not warrant that it has title to such Attached Goods or Unattached Goods. Further, the Buyer agrees that the Seller will not be liable for the removal of any chattels found on the Property prior to or on the date of closing. On closing, the Buyer may have possession of the Attached Goods and Unattached Goods which are then on or about the Property on an "as is" basis, and the Seller will not provide a Bill of Sale, Warranty, or other title document to the Buyer. Further, there will be no adjustment or abatement of any kind to the Purchase Price with respect to any Attached Goods or Unattached Goods.

REAL PROPERTY REPORT & COMPLIANCE

3. The Seller is not required to provide the Buyer with a real property report or compliance certificate. Should the Seller provide the Buyer with a copy of a survey or real property report, the Buyer agrees that any use of or reliance upon such document shall be at the Buyer's own risk. The Buyer must satisfy itself that the survey or real property report which the Seller might provide accurately reflects the Property and the buildings and improvements located thereon as they currently exist and the Seller shall not be responsible for any errors or omissions which might exist on such document. The Seller does not represent or warrant the accuracy or validity of the said survey or real property report or compliance certificate.

CONDOMINIUM

4. If the Property is a condominium:
 - (a) the Seller is not required to provide any condominium documentation to the Buyer and the Buyer shall be solely responsible to obtain any condominium documentation he may require. Without limiting the generality of the foregoing, the Buyer may obtain on his own and at his sole costs and expenses any estoppel certificate, copy of the condominium bylaws and financial statement for the Condominium Corporation that he may require;
 - (b) the Buyer must satisfy himself with the condition of the condominium unit, the common property, and the financial condition of the condominium corporation and agrees that neither the Seller nor its agents, have made any representations or warranties pertaining to same including, without limiting the generality of the foregoing, the adequacy of any reserve fund the condominium corporation might have, any potential special assessments which might be levied by the condominium corporation or the existence of any legal actions pending against the condominium corporation;
 - (c) the Seller shall be responsible for amounts payable up to the closing date on account of any condominium fees and special assessments levied by the condominium corporation.

GOODS AND SERVICES TAX (G.S.T.)

5. In addition to the purchase price payable thereunder, the Buyer shall pay to the Seller and indemnify the Seller against all Goods and Services Tax ("G.S.T.") payable on the purchase price as required by the Excise Tax Act. The Seller will not provide to the Buyer a Certificate of Exempt Supply, or any other certificate certifying that this purchase and sale transaction is not

subject to the Goods and Services Tax. Should the Seller fail to collect G.S.T. from the Buyer, it shall not be construed by the Buyer as a certification by the Seller that no G.S.T. is payable by the Buyer hereunder, and the Buyer shall remain liable for any G.S.T. which might be payable with respect to this transaction.

ACCEPTANCE BY FACSIMILE

6. The Seller and Buyer agree that this contract may be signed in counterpart, and the acceptance of this offer communicated or confirmed by facsimile transmission shall be binding upon the parties. The Buyer agrees to promptly deliver an executed original Real Estate Purchase Contract to the Seller.

FORECLOSURE PROCEEDING

7. This offer is being made pursuant to or in a Court of Queen's Bench foreclosure proceeding and, as such, the Offer may be accepted only by Order of said Court and is subject to the terms of that Order. Any agreement arising out of the Seller's acceptance of this Offer is conditional upon the approval thereof by the said Court.

Buyer's Initial

Date

STATEMENT OF SECURED INDEBTEDNESS

| | | |
|-------|---|------------------------|
| 1. | Principal | \$ 7,749,684.70 |
| 1(a). | Amounts included in principal other than the amount lent (such as enforcement legal fees already paid by the Plaintiff) <ul style="list-style-type: none">• Altus Appraisal Fees (\$3,385.76) | \$ 12,215.99 |
| 2. | Interest at date of Affidavit of Default (owing as at <u>September 30, 2016</u>) | \$ 56,617.23 |
| 3. | Interest at the mortgage rate from date of Affidavit of Default (<u>Sept 30, 2016</u>) to date of Order (<>, 20<>) [Per diem: \$1,944.54 x <> days] | \$ |
| 4. | Tax paid | NIL |
| 5. | Property maintenance paid | NIL |
| 6. | Occupancy Inspections paid | NIL |
| 7. | Insurance paid | NIL |
| 8. | NSF Fees paid (\$25 x ____) | NIL |
| 9. | Prior mortgage arrears paid | NIL |
| 10. | Condominium Fees paid | NIL |
| 11. | Homeowners Association Fees paid | NIL |
| 12. | Any other amounts paid under the mortgage | NIL |
| | TOTAL DUE TO PLAINTIFF AT DATE ORDER GRANTED (excluding costs) | \$ 7,806,301.95 |



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0032 266 975 0710874;7;59 071 133 107

LEGAL DESCRIPTION

PLAN 0710874
BLOCK 7
LOT 59
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.118 HECTARES (2.76 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

ATS REFERENCE: 5;4;26;8;NE

ATS REFERENCE: 5;4;26;9;NW

MUNICIPALITY: TOWN OF COCHRANE

REFERENCE NUMBER: 071 088 121

| REGISTERED OWNER(S) | | | | |
|---------------------|------------|------------------|-------------|---------------|
| REGISTRATION | DATE (DMY) | DOCUMENT TYPE | VALUE | CONSIDERATION |
| 071 133 107 | 19/03/2007 | TRANSFER OF LAND | \$1,656,000 | \$1,442,185 |

OWNERS

HERITAGE PLAZA DEVELOPMENTS INC.

OF 228, 1935-32 AVE NE

CALGARY

ALBERTA T2E 7C8

(DATA UPDATED BY: CHANGE OF NAME 111244620)

ENCUMBRANCES, LIENS & INTERESTS

| REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS |
|---------------------|--------------|--|
| 071 088 126 | 22/02/2007 | UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF COCHRANE. 101 RANCHEHOUSE ROAD COCHRANE ALBERTA T4C2K8 GRANTEE - FORTISALBERTA INC. 320-17 AVE SW |

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

071 133 107

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CALGARY
 ALBERTA T2S2V1
 GRANTEE - SHAW CABLESYSTEMS LIMITED.
 SUITE 900,6300-3RD AVENUE S.W.
 CALGARY
 ALBERTA T2P4L4
 GRANTEE - TELUS COMMUNICATIONS INC.
 1ST FLOOR,15079-64 AVENUE
 SURRY
 BRITISH COLUMBIA V3S1X9
 GRANTEE - ATCO GAS AND PIPELINES LTD.
 909-11TH AVENU S.W.
 CALGARY
 ALBERTA T2R1L8
 GRANTEE - 1073112 ALBERTA LTD.
 C/O #505 100 - 4TH AVENUE S.W.
 CALGARY
 ALBERTA T2P3N2
 AS TO PORTION OR PLAN:0710875

071 088 128 22/02/2007 AGREEMENT
 RE: EASEMENT AND RESTRICTIVE COVENANT.

071 088 129 22/02/2007 CAVEAT
 RE : SEE CAVEAT
 CAVEATOR - THE TOWN OF COCHRANE.
 101 RANCHEHOUSE ROAD
 COCHRANE
 ALBERTA T4C2K8

071 572 949 23/11/2007 UTILITY RIGHT OF WAY
 GRANTEE - FORTISALBERTA INC.
 700, 801 - 7 AVE SW
 CALGARY
 ALBERTA T2P3P7
 AS TO PORTION OR PLAN:0715741

151 069 171 11/03/2015 MORTGAGE
 MORTGAGEE - STERLING BRIDGE MORTGAGE CORP.
 206, 400 CROWFOOT CRESCENT NW
 CALGARY
 ALBERTA T3G5H6
 ORIGINAL PRINCIPAL AMOUNT: \$8,500,000

151 069 172 11/03/2015 CAVEAT
 RE : ASSIGNMENT OF RENTS AND LEASES
 CAVEATOR - STERLING BRIDGE MORTGAGE CORP.
 206, 400 CROWFOOT CRESCENT NW
 CALGARY

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

071 133 107

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T3G5H6
AGENT - LYLE B ZULAK

151 069 173 11/03/2015 CAVEAT
RE : SEE CAVEAT
CAVEATOR - STERLING BRIDGE MORTGAGE CORP.
206, 400 CROWFOOT CRESCENT NW
CALGARY
ALBERTA T3G5H6
AGENT - LYLE B ZULAK

161 165 974 18/07/2016 BUILDER'S LIEN
LIENOR - PRIMETIME ELECTRIC LIMITED.
C/O RITZEN OLIVIERI LLP
302-7 ST. ANNE ST
ST. ALBERT
ALBERTA T8N2X4
AMOUNT: \$43,223

161 166 317 19/07/2016 BUILDER'S LIEN
LIENOR - 715942 ALBERTA LTD.
C/O RITZEN OLIVIERI LLP
302-7 ST ANNE STREET
ST ALBERT
ALBERTA T8N2X4
AGENT - FRANCOIS VANI
AMOUNT: \$180,066

161 169 802 21/07/2016 MORTGAGE
MORTGAGEE - HARBOUREDGE COMMERCIAL FINANCE
CORPORATION.
300, 40 HURON STREET
COLLINGWOOD
ONTARIO L9Y4R3
ORIGINAL PRINCIPAL AMOUNT: \$187,100

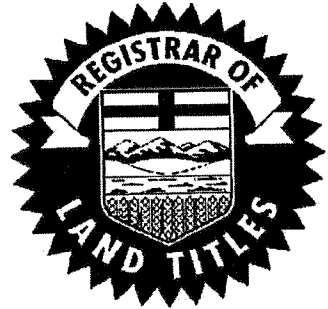
TOTAL INSTRUMENTS: 010

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 15 DAY OF
DECEMBER, 2016 AT 05:25 P.M.

ORDER NUMBER: 31992510

CUSTOMER FILE NUMBER: 01513967-HER



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
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).

Search ID#: Z08654428

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.
(P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 01513968-HERITAGE PL

Search ID #: Z08654428

Date of Search: 2016-Dec-15

Time of Search: 17:27:38

Business Debtor Search For:

HERITAGE PLAZA DEVELOPMENTS INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z08654428

Business Debtor Search For:

HERITAGE PLAZA DEVELOPMENTS INC.

Search ID #: Z08654428

Date of Search: 2016-Dec-15

Time of Search: 17:27:38

Registration Number: 15030424052

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Mar-04

Registration Status: Current

Expiry Date: 2020-Mar-04 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 HERITAGE PLAZA DEVELOPMENTS INC.
#228, 1935 - 32ND AVENUE N.E.
CALGARY, AB T2E 7C8

Current

Secured Party / Parties

Block

Status

1 STERLING BRIDGE MORTGAGE CORP.
#206, 400 CROWFOOT CRESCENT N.W.
CALGARY, AB T3G 5H6

Current

Collateral: General

Block **Description**

Status

1 All present and after-acquired personal property of the debtor.

Current

2 Proceeds: Goods, Chattel Paper, Investment Property, Documents of Title, Instruments,
Money, Intangibles and Insurance Proceeds.

Current

Search ID#: Z08654428

Business Debtor Search For:

HERITAGE PLAZA DEVELOPMENTS INC.

Search ID #: Z08654428

Date of Search: 2016-Dec-15

Time of Search: 17:27:38

Registration Number: 15030424174

Registration Type: LAND CHARGE

Registration Date: 2015-Mar-04

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 HERITAGE PLAZA DEVELOPMENTS INC.
#228, 1935 - 32ND AVENUE N.E.
CALGARY, AB T2E 7C8

Current

Secured Party / Parties

Block

Status

1 STERLING BRIDGE MORTGAGE CORP.
#206, 400 CROWFOOT CRESCENT N.W.
CALGARY, AB T3G 5H6

Current

Search ID#: Z08654428



Business Debtor Search For:

HERITAGE PLAZA DEVELOPMENTS INC.

Search ID #: Z08654428

Date of Search: 2016-Dec-15

Time of Search: 17:27:38

Registration Number: 16070806422

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Jul-08

Registration Status: Current

Expiry Date: 2021-Jul-08 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 HERITAGE PLAZA DEVELOPMENTS INC.
228-1935 32ND AVE N.E
CALGARY, AB T2E7C8

Current

Block

Status

2 GHANI, ALI
144 CALIFORNIA PL NE
CALGARY, AB T1Y6S8

Current

Birth Date:
1976-Mar-23

Secured Party / Parties

Block

Status

1 HARBOUREDGE COMMERCIAL FINANCE CORPORATION
40 HURON ST SUITE 300
COLLINGWOOD, ON L9Y4R3

Current

Collateral: General

Block **Description**

Status

1 PURSUANT TO HARBOUREDGE LEASE AGREEMENT 20151323 ALL CURRENT AND AFTER ACQUIRED PROPERTY, ASSETS, ACCOUNTS, RECEIVABLES, NOTES, CHATTEL PAPER OF THE ABOVE CORPORATE BORROWER INCLUDING BUT NOT LIMITED TO 2 PYLON SIGNS COMPLETE WITH LED LETTERS DOUBLE SIDED LOCATED AT 100 HORSE CREEK DRIVE, COCHRANE AB.

Current

**Personal Property Registry
Search Results Report**

Search ID#: Z08654428

Result Complete



McGregor, Naomi (CA - Alberta)

From: maureenalexm@gmail.com
Sent: Wednesday, April 19, 2017 11:23 AM
To: McGregor, Naomi (CA - Alberta)
Cc: Alex Mclsaac
Subject: Heritage Plaza Developments Inc. Share Certificate & Letter of Acknowledgment / Agreement
Attachments: Prism Heritage Hills Stock Certificate.jpeg; Prism Letter re Heritage Hills.jpeg

Dear Naomi,

Further to my phone call with you this morning at 10:37 am, I would like to register a lien with Deloitte as the Receiver in the Receivership of Heritage Plaza Developments Inc., of the town of Cochrane in the Province of Alberta. Attached please find two documents:

1. March 1, 2012 – General Subscription Acknowledgment / Agreement for purchase of 20 Class B preferred shares in the amount \$100,000.00 in Heritage Plaza Developments Inc.
2. Preferred Share Certificate number B-185 Heritage Plaza Developments Inc. Twenty Class B Preferred Shares, dated March 1, 2012.

Our contact information is as follows:

John Alexander Mclsaac & Maureen Clare Mclsaac
1409 Main Street
Saskatoon, SK
S7H 0L5
306-242-9885 (r), 306-291-8351 (Alex work cell).

Please let me know if you require any further information from me. I will look forward to your acknowledgement of receipt of this email.

Thank you very much,
Alex Mclsaac

Sent from Mail for Windows 10

NON-NEGOTIABLE

NUMBER
B-185

SHARES
20

HERITAGE PLAZA DEVELOPMENTS INC.

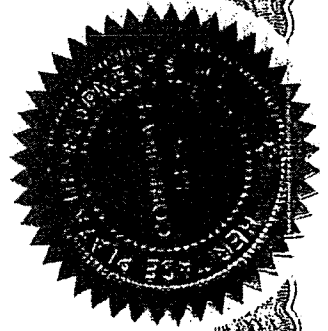
INCORPORATED UNDER THE BUSINESS
CORPORATIONS ACT (ALBERTA)

THIS CERTIFIES THAT JOHN ALEXANDER & MAUREEN CLARE MCISAAC, is the registered holder of TWENTY (20), CLASS "B" PREFERRED SHARE OF HERITAGE PLAZA DEVELOPMENTS INC. TRANSFERABLE ONLY ON THE BOOKS OF THE CORPORATION BY THE HOLDER HEREOF IN PERSON OR BY ATTORNEY UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED.

IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed

this 1st day of MARCH A.D. 2012

D. J. ...
PRESIDENT



VICE PRESIDENT

PRISM INVESTMENTS

March 1, 2012

RE: CLASS B SHARE PURCHASE IN HERITAGE PLAZA DEVELOPMENTS INC.

Dear Mr. and Mrs. Mclsaac,

Thank you for investing with PRISM GROUP OF COMPANIES in our unique Cochrane Retail Plaza, HERITAGE HILLS PLAZA. We understand and appreciate that making such an investment requires a considerable amount of trust. With PRISM GROUP OF COMPANIES' policy of clear communication, honesty and transparency, your trust is well-placed.

Your Subscription Agreement for 20 CLASS B Preferred Shares, in the amount of \$100,000, in HERITAGE PLAZA DEVELOPMENTS INC. has now been accepted by the Corporation.

At the time of signing the paperwork, we trust and confirm that you received the following:

- HERITAGE PLAZA Offering Memorandum
- HERITAGE PLAZA Marketing Materials
- HERITAGE PLAZA Risk Acknowledgement Forms (copies).

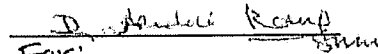
Just for your records and safe keeping, this package includes:


- HERITAGE PLAZA Fully Executed Subscription Agreement
- HERITAGE PLAZA Offering Memorandum
- HERITAGE PLAZA Share Certificate

The effective investment start date is March 1st, 2012.

Please feel free to call us at 1.866.544.7759 any time should you have any questions or comments.

Thank you kindly,


For:
Ali Ghani
CEO


Ricky Arshi
PRESIDENT

OFFICE 403.387.7759 TOLL FREE 1.866.544.7759 FAX 403.387.7769
ADDRESS Suite 228, 1935 - 32 Avenue N.E. Calgary, Alberta, Canada T2E 7C8

APPENDIX "F"

In the Matter of the Receivership of
 Heritage Plaza Developments Inc.
 Estimated Rent Role
 As at December 14, 2016

| | Annual Operating Costs | Monthly Operating Costs | GST | Total Monthly Operating Cost | Annual Rental Costs | Monthly Rental Costs | GST | Total Monthly Operating Cost | Rent Free Expiry Date |
|-------------------------|------------------------------|-------------------------------|------------------|---------------------------------------|------------------------|-------------------------|--------------------|---------------------------------------|--------------------------|
| Ace Liquor Store | \$ 16,250.00 | \$ 1,354.17 | \$ 67.71 | \$ 1,421.88 | \$ 65,000.00 | \$ 5,416.67 | \$ 270.83 | \$ 5,687.50 | 1-Jan-2018 |
| Harmony Day Care Centre | \$ 19,500.00 | \$ 1,625.00 | \$ 81.25 | \$ 1,706.25 | \$ 89,700.00 | \$ 7,475.00 | \$ 373.75 | \$ 7,848.75 | 1-Apr-2017 |
| Anytime Fitness | \$ 26,000.00 | \$ 2,166.67 | \$ 108.33 | \$ 2,275.00 | \$ 67,600.00 | \$ 5,633.33 | \$ 281.67 | \$ 5,915.00 | 1-Jan-2018 |
| Freshii | \$ 5,395.00 | \$ 449.58 | \$ 22.48 | \$ 472.06 | \$ 21,580.00 | \$ 1,798.33 | \$ 89.92 | \$ 1,888.25 | 1-Jan-2018 |
| | <u>\$ 67,145.00</u> | <u>\$ 5,595.42</u> | <u>\$ 279.77</u> | <u>\$ 5,875.19</u> | <u>\$ 243,880.00</u> | <u>\$ 20,323.33</u> | <u>\$ 1,016.17</u> | <u>\$ 21,339.50</u> | |

CBRE Limited
 Vancouver · Calgary · Edmonton · Winnipeg
 Toronto · Ottawa · Montreal · Halifax



Monday, April 17, 2017

Court of Queen Bench
 C/o Dentons Canada LLP
 15th Floor, Bankers Court, 850 - 2nd Street SW
 Calgary, AB T2P 0R8 Canada

Sent via email: afshan.naveed@dentons.com

Dear Sir/Madam,

Re: Property - Marketing Report

| <i>Companies</i> | <i>Contact</i> | <i>Comments</i> |
|------------------------------|-----------------|--|
| <i>SDR</i> | Luiz Nobre | CA signed – no interest |
| <i>Tyler Realty</i> | Kris Sotiros | reviewed with client - passed |
| <i>Bri-mor</i> | Aleem Dhanni | introduced marketing brochure – no comments |
| <i>Framworks</i> | Kim Beingessner | passed |
| <i>Artis REIT</i> | Lec Mroczek | passed |
| <i>Starlight Investments</i> | Charles Chung | passed - will reconsider if income is stabilized |
| <i>CGE Investments</i> | Angelo | passed |
| <i>Dev2</i> | Kelly Rogers | no response |
| <i>Harmin Holdings</i> | Rick Pauloski | introduced marketing brochure – no interest |
| <i>First Capital</i> | Ralph Huizinga | passed |
| <i>Wesbild</i> | David Laronde | Reviewed - passed |
| <i>Trico</i> | Wayne Chiu | introduced marketing brochure – no interest |
| <i>Highfield Development</i> | Terry Libin | introduced marketing brochure – no interest |
| <i>Michelle Avigliano</i> | Hopewell | introduced marketing brochure – no interest |
| <i>Horton /</i> | Skip McDonald | introduced marketing brochure – no |

| | | |
|---------------------------|---|---|
| McDonald | Darrell MacRae | interest introduced marketing brochure – no interest |
| | Paul Allard | introduced marketing brochure – no interest |
| Ayrshire | Karl Maldeghem Ian Kennedy | passed introduced marketing brochure – no interest |
| Barry Commercial | Andrew Barry Janelle Morrice Arman Sonuhi | Reviewed – no interest CA signed introduced marketing brochure – no interest |
| Cygnus | Amardeep Gill Bob Dorhety | CA signed introduced marketing brochure – no interest |
| ASI | Frank Lonardelli | introduced marketing brochure – no interest |
| Strategic | Yossi Fixler | introduced marketing brochure – no interest |
| Leasco | Mark McGinley Jim Mitchell | introduced marketing brochure – no interest |
| 7-11 | Chris Mitchell | Reviewing potential lease |
| Pacific Investment | Dennis Dorhety | introduced marketing brochure – no interest |
| Blackstone | Shane Olin | no response |
| Endurance | Pat Lipton | CA signed – no interest |
| Erditas | Raulph Schoeddert | CA signed – no interest |
| West 18 | Geoff Stewart | Reviewed – no interest |
| Narland | Chris Sherry | CA signed – no interest |
| Western Security | Michael Brescia | CA signed – no interest |
| Landmark | George Mylonas | CA signed – no interest |
| Centercorp | Spence Mueller | CA signed – no interest |
| Kingsley | Jack Dietrich | introduced – no interest |
| Ronmor | Lorne Paperny Peter Aurora | introduced – no interest introduced – no interest |
| PBA Lands | Patricia Philips | Reviewed – no interest |
| PC Urban | Brent Sawchyn | introduced – no interest |
| Renoir | Tim Down | no response |
| Royop | Jeremy Thal | passed |
| Sheppard | Trevor Sawatzky | introduced – no interest |
| Telsec | Dick Van GriekenSean Flathers | introduced – no interest |

| | | |
|---------------------------------|--------------------|---|
| Tricon Capital | Terry O'Grady | introduced – no interest |
| | Shaun Marty | no response |
| Wexford | Kendal Harazny | meeting March 26 – no interest |
| Pacific Investment | Dennis Dorhety | passed |
| Marquis Development | Joseph Leung | introduced marketing brochure - passed |
| Blackwatch | Shane Melanson | passed |
| 933 Group | George Haralabakos | passed |
| Bedford | Cory Innes | passed |
| | Ranny Shibley | passed |
| Central Grand Properties | Randy Mabbott | CA signed - passed |
| | Latchmi Pandey | financial terms suggested - prospect passed |
| Spaceopoly | Ralph Woessner | CA signed informal offer at \$5.8M, no formal offer made |
| | Lee Dowd | passed |
| Remington Development | Ryan Remington | passed |
| Pacific Century Group | Harish Consul | CA signed - passed |
| Admen | Murray Atkins | passed |
| Balboa | Stephen Mannix | passed |
| Copez | Robert Proud | passed |
| Atlas | Michael Evans | passed |
| Axis | Bryan Mar | passed |
| Cameron Development | Cameron Naqvi | passed |
| MDC | Allan Okabe | passed |
| Jaymont | Jason Williams | introduced – no interest |
| Realty 1000 | Mark Chen | introduced marketing brochure - passed |

Listing Period

January 16 to April 2017 (90 Days)

Marketing Efforts Used

- Monthly Exclusive Listing to All Commercial Agents
- Loopnet
- CBRE Website
- Investment mailer and phone call follow up

Court of Queens Bench
Mountain Ridge Plaza
Monday, April 17, 2017

CBRE

- Retail Landlords mailer and phone call follow up
- Signage on site

Comparables

There have been no recent retail strip malls sales in Cochrane

Lack of Offers

All parties that signed the CA and reviewed data deck provided, suggested the asking price was not achievable or worth offering. The comments were predicated on the risk associated with a vacancy, time to lease and any stabilized income did not leave enough "upside" for a buyer.

If you have any questions regarding our process and clarity on comments I can be reached at your convenience.

Yours truly,



John Moss
Vice President
Ph: (403) 999-6677
Email: john.moss@cbre.com

FOR SALE

MOUNTAIN RIDGE PLAZA

100 Horse Creek RD, Cochrane AB

**RETAIL
STRIP CENTRE**



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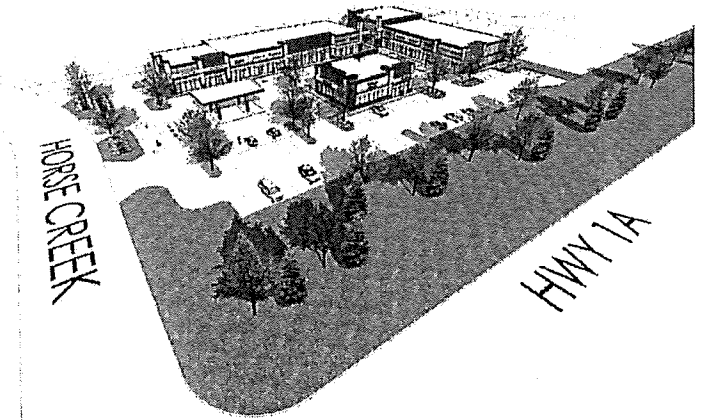
FOR SALE

MOUNTAIN RIDGE PLAZA



BUILDING INFORMATION

| | |
|-------------------|--------------------------------------|
| MUNICIPAL ADDRESS | 100 Horse Creek Road, Cochrane AB |
| LEGAL DESCRIPTION | Lot 59, Block 7, Plan 0710874 |
| NUMBER OF UNITS | 16 |
| SITE SIZE | 2.76 acres |
| EXISTING NRA | 29,973 Sq.ft |
| ADDITIONAL NRA | 5,175 Sq.ft |
| PRICE | \$9.5 Million |



PROPERTY HIGHLIGHTS

- Two, newly constructed multi-tenant buildings on 2.76 acres with the opportunity to add a third building of 5,175 sq.ft.
- Located in Cochrane just 10 minutes northwest of Calgary
- Cochrane experienced population growth of 17.6 % and 8.0% in 2014 and 2015, respectively
- The property occupies a corner position with direct exposure to Highway 1A and is situated at the primary entrance into the new and developing residential subdivision of Heritage Hills
- Existing tenants Freshii, Anytime Fitness, Ace Liquor and Harmony Day Care have a weighted average lease term of 9.25 years remaining.



DEMOGRAPHICS

| POPULATION | 0-1 KM | 0-3 KM | 0-5 KM |
|-----------------------|--------|--------|--------|
| 2011 estimated | 1,042 | 9,543 | 15,711 |
| 2016 estimated | 1,371 | 11,567 | 19,478 |
| 2019 projected | 1,551 | 12,650 | 21,490 |

| AVERAGE HOUSEHOLD INCOME | 0-1 KM | 0-3 KM |
|--------------------------|-----------|------------|
| 2011 estimated | \$135,274 | \$129,024 |
| 2016 estimated | \$158,841 | \$152,802 |
| 2019 projected | \$171,447 | \$ 165,017 |

100 Horse Creek Rd
Cochrane, AB

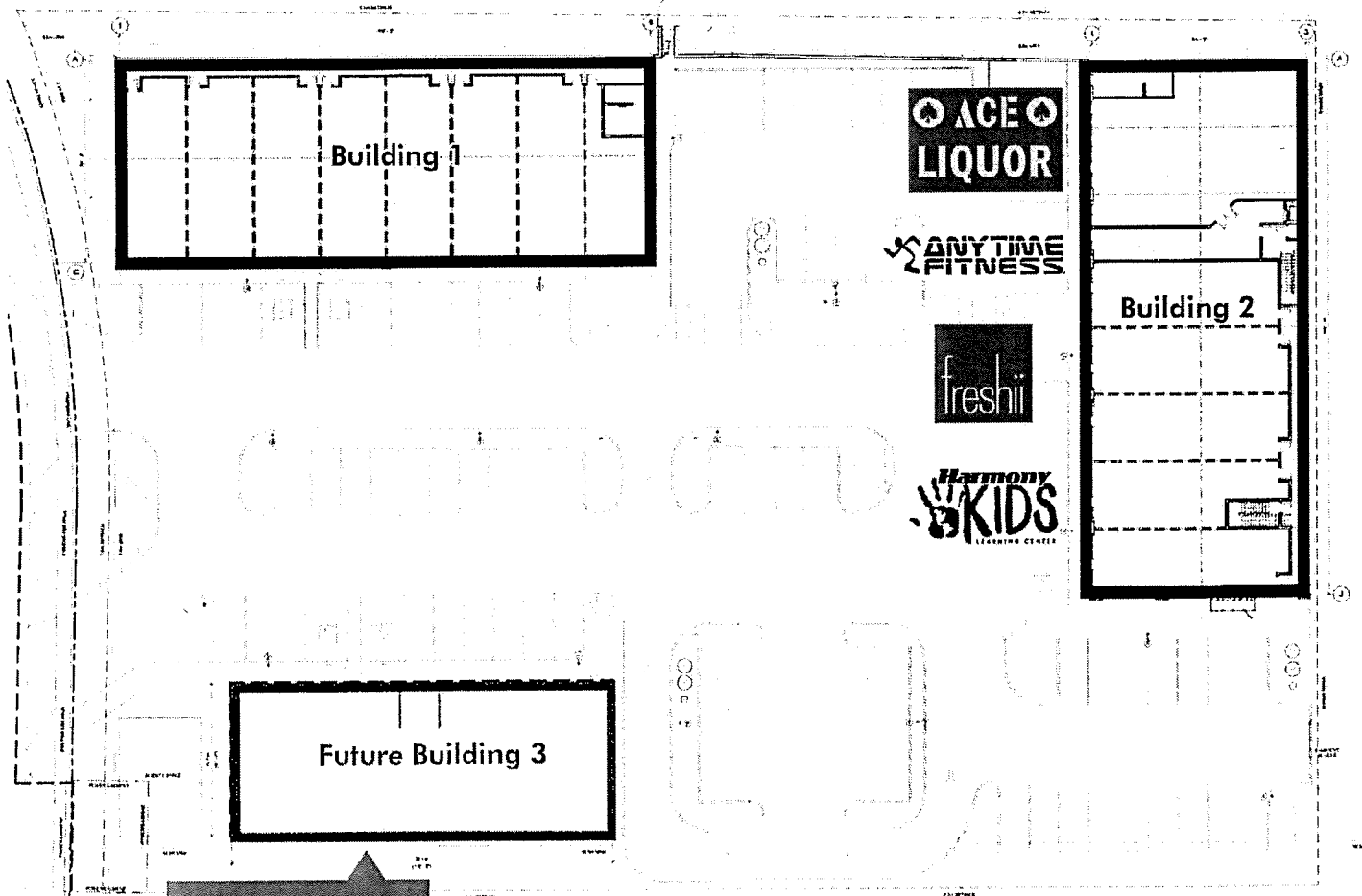
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Building 1

Building 2

| UNIT NUMBER | USABLE AREA |
|--------------------------|--------------------|
| 1101 | 1,123 Sq.ft |
| 1102 | 1,079 Sq.ft |
| 1103 | 1,079 Sq.ft |
| 1104 | 1,079 Sq.ft |
| 1105 | 1,079 Sq.ft |
| 1106 | 1,079 Sq.ft |
| 1107 | 1,080 Sq.ft |
| 1108 | 902 Sq.ft |
| Common Area | 1,391 Sq.ft |
| Building 1 Total: | 9,891 Sq.ft |

| UNIT NUMBER | USABLE AREA |
|----------------------------|---------------------|
| Main Floor - 2101 | 2,870 Sq.ft |
| 2102 | 1,073 Sq.ft |
| 2103 | 1,187 Sq.ft |
| 2104 | 1,187 Sq.ft |
| 2105 | 1,030 Sq.ft |
| 2106 | 1,240 Sq.ft |
| Common Area | 2,105 Sq.ft |
| Main Floor Total: | 10,692 Sq.ft |
| Second Floor - 2201 | 3,476 Sq.ft |
| 2202 | 4,800 Sq.ft |
| Common Area | 1,114 Sq.ft |
| Second Floor Total | 9,390 Sq.ft |
| Building 2 Total: | 20,082 Sq.ft |



Expansion Potential
5,175 Sq.ft

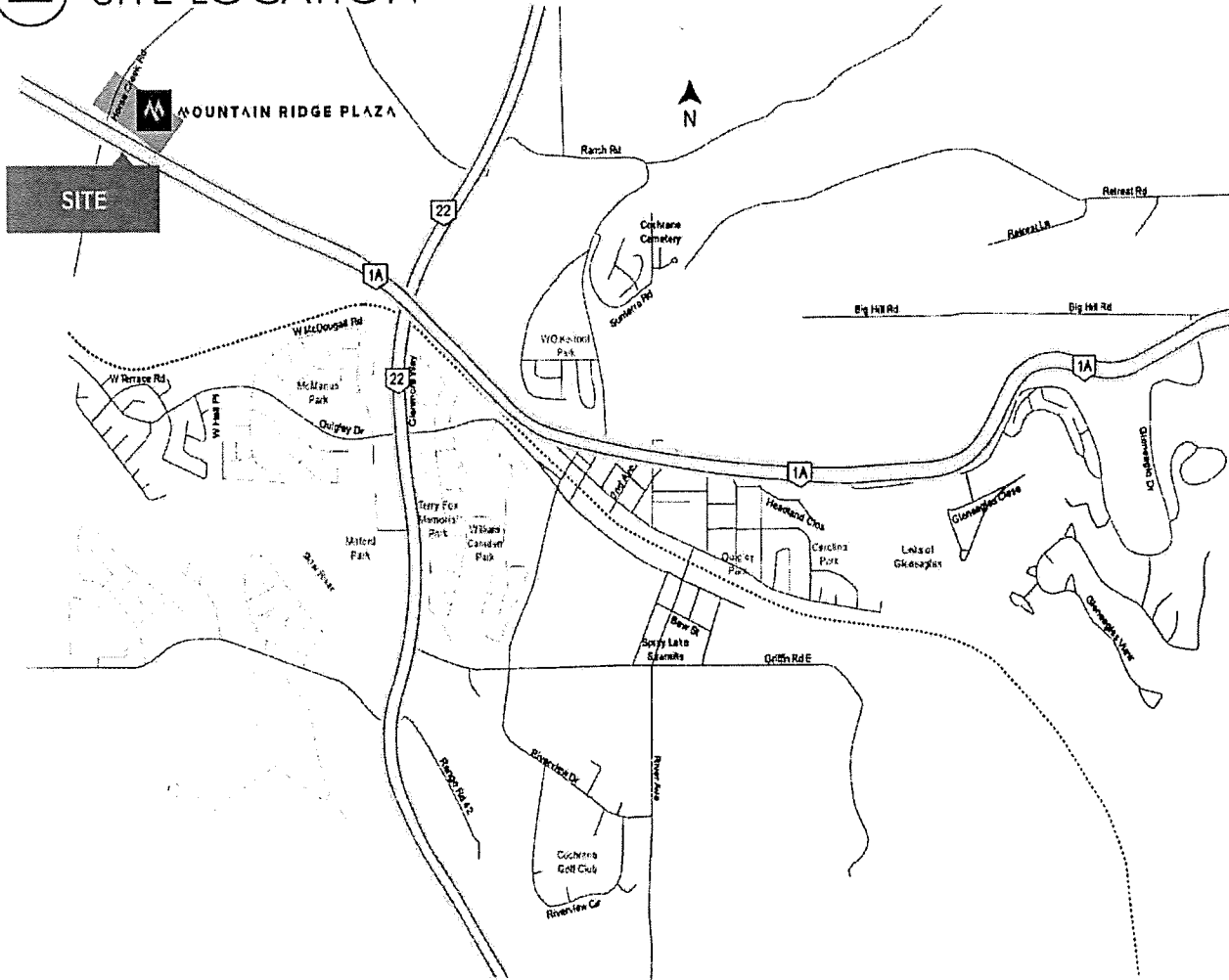
FOR SALE

MOUNTAIN RIDGE PLAZA

100 Horse Creek RD, Cochrane AB

RETAIL
STRIP CENTRE

SITE LOCATION



CONTACT US

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CBRE

IN THE MATTER OF THE RECEIVERSHIP OF HERITAGE PLAZA DEVELOPMENTS INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FROM DECEMBER 14, 2016 TO APRIL 19, 2017

| | | |
|--|--------|----------------------------|
| Receipts: | | |
| Receiver's Certificate | Note 1 | \$ 50,000.00 |
| Rental income | | 19,822.57 |
| GST Collected | | <u>991.05</u> |
| Total receipts | | \$ 70,813.62 |
| Disbursements: | | |
| Insurance | | \$ 13,384.00 |
| Operating expenses | | 6,024.91 |
| Utilities on operations | | 3,338.52 |
| Repairs & Maintenance | | 1,741.00 |
| GST paid - operations | | 551.13 |
| Fees paid to the Official Receiver | | <u>70.00</u> |
| Total disbursements | | <u>25,109.56</u> |
| Funds on hand at April 19, 2017 | | <u>\$ 45,704.06</u> |

NOTES:

- 1 The Receiver executed a Receiver's Certificate #1 in the amount of \$50,000 on January 5, 2017. The funds were received from Sterling Bridge Mortgage Corp. on January 12, 2017.
- 2 The Receiver has work-in-progress for the period December 14, 2016 to April 19, 2017 in the amount of \$48,004.31 (excluding GST).
- 3 The Receiver did not retain independent legal counsel during the receivership proceedings.