

COURT FILE NUMBER 1901 - 10871
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

APPLICANT THE BANK OF MONTREAL

RESPONDENTS UWAMS SUPPORTIVE LIVING LTD., MAXWELL UWAGA and CAROL UWAGA

DOCUMENT AFFIDAVIT OF TREVOR BAUER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

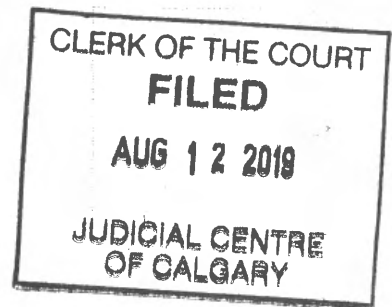
FILING THIS DOCUMENT
Telephone 403-351-2921
Facsimile 403-648-1151

File No. 33336-389

Attention: Jeffrey Oliver

AFFIDAVIT OF: TREVOR BAUER

SWORN ON: August 12, 2019



I, **TREVOR BAUER**, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am an Account Manager, SAMU with The Bank of Montreal ("**BMO**"), and as such have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. I am authorized by BMO to swear this affidavit on its behalf.

Background

3. UWAMS Supportive Living Ltd. ("**UWAMS**") is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Calgary, Alberta. Attached hereto and marked as **Exhibit "A"** is a copy of the corporate registry search for UWAMS dated August 1, 2019.
4. Maxwell Uwaga, is an individual residing in Calgary, Alberta. Maxwell Uwaga is one of three directors of UWAMS and is a shareholder of UWAMS.

5. Carol Uwaga, is an individual residing in Calgary, Alberta. Carol Uwaga is one of three directors of UWAMS and is a shareholder of UWAMS.
6. UWAMS operates a supportive living care facility for seniors and adults who need assistance with their daily activities. It is my understanding that UWAMS is operating as a licenced facility.

Commitment Letter

7. On August 6, 2015, BMO issued a commitment letter (the "**Original Commitment Letter**") pursuant to which BMO offered to make available to UWAMS a demand loan non-revolving credit facility (the "**Facility**") in the total original authorized amount of \$620,000. Attached hereto and marked as **Exhibit "B"** is a copy of the Original Commitment Letter.
8. UWAMS accepted the Original Commitment letter on August 8, 2015. The purpose of the Facility was to assist with the construction and expansion of a building (the "**Building**") located on the lands municipally described as 9504 2nd Street SE Calgary, Alberta and legally described as Plan 577JK, Block 45, Lot 24, excepting there out all mines and minerals (the "**Lands**").
9. On July 31, 2017, BMO issued a commitment letter (the "**Amended Commitment Letter**") and collectively with the Original Commitment Letter, the "**Commitment Letter**") pursuant to which BMO offered to increase the authorized amount of the Facility to a total authorized amount of \$907,500, which amount includes any previous draws already made. Attached hereto and marked as **Exhibit "C"** is a copy of the Amended Commitment Letter.
10. UWAMS accepted the Amended Commitment letter on August 30, 2017.
11. Pursuant to the Commitment Letter, BMO made certain advances to UWAMS. As of July 30, 2019, the total amount advanced by BMO to UWAMS that remains due, owing and unpaid is \$1,015,214.60, inclusive of interest and legal fees up to July 30, 2019 but exclusive of fees, other chargeable costs and interest continuing to accrue (the "**Indebtedness**"). Further particulars of the Indebtedness are as follows:

Principal Balance	\$956,547.26
Accrued Interest to July 30, 2019* (per diem \$247.18)	\$58,673.34
<hr/>	
Total Balance as at July 30, 2019	\$1,015,214.60

*Interest rate is calculated at BMO's prime lending rate as established from time to time plus 5.00% per annum.

Attached hereto and marked as **Exhibit "D"** is a copy of a payout statement as at July 30, 2019.

12. In accordance with the terms of the Commitment Letter, the Facility is payable in whole or in part on demand by BMO.

Security

13. The Facility was secured by the following documents:
 - (a) a general security agreement executed by UWAMS in favour of BMO dated August 26, 2015 (the "**First GSA**");
 - (b) a general security agreement executed by UWAMS in favour of BMO dated September 1, 2017 (the "**Second GSA**" and together with the First GSA, the "**GSAs**");
 - (c) a joint and several guarantee of indebtedness of UWAMS in the limited amount of \$1,200,000 granted the Guarantors on September 1, 2017 (the "**Guarantee**"); and
 - (d) a collateral mortgage dated August 26, 2015 and amended by a mortgage amending agreement dated September 1, 2017 (collectively and as amended, the "**Mortgage**") in the amount of \$1,200,000 and registered against the Lands; (collectively, the "**Security**"). Attached hereto and marked as **Exhibits "E", "F", "G" and "H"** are copies of the Security.
14. Pursuant to the GSAs, UWAMS granted to BMO (among other things) a fixed and specific security interest in all present and after-acquired goods, inventory, intangibles, chattel paper, securities, documents of title, instruments and money and any proceeds therefrom and a floating charge on all property and assets, whether real or personal.
15. BMO's security interest created under the GSAs was perfected through the filing of financing statements registered in the Alberta Personal Property Registry as follows:
 - (a) Registration No. 15091117658 made on September 11, 2015; and
 - (b) Registration No. 17080219102 made on August 2, 2017.

Attached hereto and marked as **Exhibit "I"** is a copy of the Alberta Personal Property Registry search dated July 31, 2019 evidencing BMO's registrations.
16. BMO's security interest created under the Mortgage was perfected through the registration of the Mortgage with Alberta Land Titles as follows:
 - (a) Instrument No 151 246 595 registered on 23/09/2015; and
 - (b) Instrument No. 171 209 843 registered on 19/09/2017.

Attached hereto and marked as **Exhibit "J"** is a copy of an Alberta Land Titles search for the Lands dated July 31, 2019.
17. Pursuant to the Guarantee:
 - (a) the Guarantors jointly and severally guaranteed payment to BMO of all present and future debts and liabilities, including (among other things) interest thereon in the limited aggregate amount of \$1,200,000 plus interest thereon at a rate of 3.00% per annum above BMO's prime interest rated in effect from time to time;
 - (b) the liability of the Guarantors under the Guarantee shall arise immediately after demand for payment under the Guarantee has been made in writing by BMO;

- (c) the Guarantee is a continuing guarantee; and
- (d) BMO shall not be obliged to seek recourse against UWAMS or any other person or realized upon any security it may hold before being entitled to payment from the Guarantors.

First Forbearance Agreement and Demands

- 18. On August 28, 2017, I attended the Lands with Maxwell Uwaga to see the progress on the construction and expansion of the Building. As a result of (among other things) the incomplete status of the construction and expansion of the Building and missing financial reporting as required by the Commitment Letter, the Facility was transitioned to BMO's Special Accounts Management Unit.

First Forbearance Agreement

- 19. On October 1, 2017, UWAMS, the Guarantors and BMO entered into a Restated Commitment Letter and Forbearance Agreement (the "**First Forbearance Agreement**") pursuant to which BMO agreed to forbear from enforcing its rights and remedies under the Commitment Letter and Security until the close of business on April 30, 2018 on the terms and conditions set out therein. Attached hereto and marked as **Exhibit "K"** is a copy of the First Forbearance Agreement.

Demand Letters and Notice of Intention to Enforce Security

- 20. On May 11, 2018, following the expiry of the First Forbearance Agreement, BMO sent a letter to UWAMS demanding repayment in full of the Indebtedness together with a notice of intention to enforce security. Attached hereto and marked as **Exhibit "L"** is a copy of the demand letter and notice of intention to enforce security.
- 21. On May 11, 2018, following the expiry of the First Forbearance Agreement, BMO sent a letter to the Guarantors demanding repayment of the Indebtedness pursuant to the Guarantee. Attached hereto and marked as **Exhibit "M"** is a copy of the demand letter.

Lien Issue, Second Forbearance Agreement and Additional Default Notices

- 22. In the spring/summer of 2018, BMO became aware that three liens had been registered against the Lands (collectively, the "**Liens**") and that UWAMS required additional funds in order to discharge the Liens and complete the construction and expansion of the Building.
- 23. BMO agreed to make a further advance to UWAMS in the amount of \$60,600 on the terms and conditions set out in a second Restated Credit and Forbearance Agreement (as amended, the "**Second Forbearance Agreement**") dated August 24, 2018 so that the Liens could be paid and discharged from title to the Lands.

Second Forbearance Agreement

- 24. On August 24, 2018, UWAMS, the Guarantors and BMO entered into the Second Forbearance Agreement pursuant to which BMO agreed to forbear from enforcing its rights and remedies under the Commitment Letter and Security until April 30, 2019 on the terms and conditions set out therein. The terms and conditions set out in the Second Forbearance Agreement include, but are not limited to, UWAMS effecting a settlement with the holders of the Liens on or before October 31, 2018, which settlement shall result

in: (i) the discharge of the Liens from title to the Lands; and (ii) the execution of settlement and release agreements by each of the lienors in relation to the Liens (the "**Lien Settlement**"). Attached hereto and marked as **Exhibit "N"** is a copy of the Second Forbearance Agreement.

25. UWAMS and the Guarantors defaulted under the terms of the Second Forbearance Agreement by (among other things) failing to effect the Lien Settlement on or before October 31, 2018.
26. As a result of the above noted default, on November 8, 2018, UWAMS, the Guarantors and BMO entered into an amending agreement to the Second Forbearance Agreement (the "**Amendment to the Second Forbearance Agreement**") pursuant to which BMO agreed to forbear from enforcing its rights and remedies under the Commitment Letter and Security until April 30, 2019 on the amended terms and conditions set out therein, which included providing UWAMS until November 21, 2018 to effect a modified version of the Lien Settlement. Attached hereto and marked as **Exhibit "O"** is a copy of the Amendment to the Second Forbearance Agreement.
27. On or about January 24, 2019, BMO advanced additional funds in the amount of \$60,600 in order to effect the discharge of the Liens from title to the Lands.

Additional Default Notices

28. On January 31, 2019, counsel to BMO sent a letter to UWAMS and the Guarantors advising that additional defaults had occurred under the terms of the Second Forbearance Agreement. These additional defaults included, but were not limited to:
 - (a) a failure to provide BMO with a business plan detailing UWAMS's intended plan to ensure that all ten beds of the Business (as defined in the Second Forbearance Agreement) are occupied on or before January 1, 2019;
 - (b) a failure to provide BMO with proof that all ten beds of the Business are occupied on or before January 1, 2019;
 - (c) a failure to make monthly interest payments at the Interest Rate commencing on the Effective Date (as defined in the Second Forbearance Agreement); and
 - (d) a failure to close all non-BMO accounts on or before August 31, 2018 and provide BMO with proof that the non-BMO accounts have been closed.

Attached hereto and marked as **Exhibit "P"** is a copy of this correspondence.

29. Between January 31, 2019 and July 3, 2019, I followed up with, had telephone calls with and/or met with UWAMS on several occasions to discuss (among other things) the progress the occupancy of the Building and the eventual payout of Facility.
30. On July 3, 2019, counsel to BMO sent a letter to UWAMS and Guarantors advising that:
 - (a) the following events of default are continuing as of July 3, 2019:
 - (i) a default or breach by UWAMS and/or the Guarantors of representations, warranties, covenants, terms, conditions or other provisions do the Second Forbearance Agreement;

- (ii) a failure by UWAMS to make payments when due to BMO, whether under the Second Forbearance Agreement or otherwise;
- (iii) a failure to comply with the terms and conditions set out in the Second Forbearance Agreement and/or Security as a result of, among other things, a failure of UWAMS to:
 - (A) provide BMO with proof that the non-BMO accounts have been closed;
 - (B) make payments towards the Facility in accordance with the Second Forbearance Agreement;
 - (C) provide BMO with proof that all ten beds of the Business are fully occupied on or before January 1, 2019; and
 - (D) pay all taxes relating to the Lands as they become due; and
- (b) BMO required a proposal from UWAMS on or before July 31, 2019 setting out a proposal for one of the following options and that if such a proposal was not received on or before July 31, 2019, BMO would proceed with the enforcement of its security:
 - (i) the re-financing of the Facility;
 - (ii) selling the Lands subject to the Mortgage in order to repay BMO in full; and/or
 - (iii) otherwise arranging for the repayment of BMO in full.

Attached hereto and marked as **Exhibit "Q"** is a copy of this correspondence.

- 31. Notwithstanding the efforts made by BMO to resolve the repayments of the Facility without enforcing the Security (as described above), BMO did not receive a proposal for the repayment of the Facility on or before July 31, 2019.
- 32. On August 1, 2019, counsel to BMO sent a letter to counsel to UWAMS advising that no proposal has been received by BMO as requested in the July 3, 2019 correspondence and that BMO had scheduled time on the Commercial List on August 16, 2019 at which time BMO intended to bring an application appoint a receiver over the assets, undertakings and properties of UWAMS. Attached hereto and marked as **Exhibit "R"** is a copy of this correspondence.
- 33. As of the date this affidavit was sworn, no response has been received to the above noted August 1, 2019 correspondence.

Failure to Repay Indebtedness

- 34. The 10-day notice period under s. 244 of the *Bankruptcy and Insolvency Act* (Canada) expired on or about May 21, 2018.
- 35. Since the expiry of the Second Forbearance Agreement, BMO has not received any payments towards the interest or principal amounts due and owing under the Facility from UWAMS or the Guarantors.

36. As noted above, BMO has provided UWAMS with multiple opportunities to repay the Indebtedness and to avoid insolvency proceedings. However, as of the dated of this affidavit UWAMS and the Guarantors have failed to comply with the demand letters and, as of July 30, 2019, there remains \$1,015,214.60 due and owing by UWAMS to BMO, plus interest, fees and other chargeable costs continuing to accrue.

Appointment of Receiver

37. UWAMS has been in default under the terms of the Commitment Letter for approximately two years. Over this time period, BMO has made several efforts to assist UWAMS, including but not limited to advancing additional funds to payout the Liens (thus allowing for the completion of construction on the Building) and entering into multiple forbearance agreements to provide UWAMS with additional time to fully occupy the Building, sell the Lands, seek refinancing of the Facility and/or otherwise payout the Facility.
38. UWAMS has consistently failed to meet the terms of the forbearance agreements and has not presented BMO with a viable plan pursuant to which the balance of the Indebtedness will be repaid in full.
39. A Tax Information Report and Tax Certificate relating to the Lands were obtained on July 2, 2019 and July 3, 2019 respectively (collectively the “**Tax Searches**”). The Tax Searches show that the tax account balance for the Lands is as follows:

Current (current calendar year): \$2,791.08

Arrears (prior calendar years): \$5,255.94

Account Balance: \$8,047.02

Attached here to and marked as **Exhibit “S”** are copies of the Tax Searches.

40. I am advised by Danielle Marechal, associate with Cassels Brock and Blackwell LLP, that her office contacted the City of Calgary who confirmed that the tax arrears are for the 2017 and 2018 calendar years.
41. Furthermore, the City of Calgary has registered a Tax Notification against title to the Lands (shown in Exhibit “J”).
42. Given the ongoing defaults by UWAMS under the Commitment Letter, Security and the Second Forbearance Agreements, and the outstanding tax arrears I believe it is just and convenient to appoint a receiver over the assets of UWAMS to protect the assets underlying the Security as well as to protect the interests of other creditors.
43. Deloitte Restructuring Inc. (“**Deloitte**”) has consented to act as receiver and manager of the assets, undertakings and properties of UWAMS should a receiver be appointed. Deloitte has been advised that UWAMS is operating a licenced care facility and BMO will work with Deloitte to ensure that the care of the individuals residing at the UWAMS facility are appropriately managed.

44. I swear this affidavit in support of an Order appointing Deloitte as the court appointed receiver and manager of UWAMS.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta, this 12th day of August,)
2019)

Thomas Neville

Commissioner for Oaths/Notary Public in and for)
Alberta)

Trevor Bauer

TREVOR BAUER

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

This is Exhibit "A"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville
A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2019/08/01
Time of Search: 09:36 AM
Service Request Number: 31458018
Customer Reference Number: 02567241-EDD3_5_664877

Corporate Access Number: 2014613323

Legal Entity Name: UWAMS SUPPORTIVE LIVING LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
UWAMS LTD.	2009/05/11

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2009/04/06 YYYY/MM/DD

Date of Last Status Change: 2011/06/24 YYYY/MM/DD

Registered Office:

Street: 54 EVERGREEN TERRACE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2Y 2V9

Records Address:

Street: 54 EVERGREEN TERRACE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2Y 2V9

Directors:

Last Name: UWAGA

First Name: MAXWELL

Street/Box Number: 54 EVERGREEN TERRACE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2Y 2V9

Last Name: UWAGA
First Name: NDUBISI (NDU)
Street/Box Number: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9

Last Name: UWAGA
First Name: CAROL
Middle Name: C.E.
Street/Box Number: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9

Voting Shareholders:

Last Name: UWAGA
First Name: MAXWELL
Middle Name: UMESAKA
Street: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9
Percent Of Voting Shares: 30

Last Name: UWAGA
First Name: CAROL
Street: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9
Percent Of Voting Shares: 30

Last Name: UWAGA
First Name: KANAYO (ANI)
Street: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9
Percent Of Voting Shares: 5

Last Name: UWAGA

First Name: AMANDA
Street: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9
Percent Of Voting Shares: 5

Last Name: UWAGA
First Name: NDUBISI (NDU)
Street: 54 EVERGREEN TERRACE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 2V9
Percent Of Voting Shares: 30

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED
Share Transfers Restrictions: SEE ATTACHED
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2018	2018/07/17

Outstanding Returns:

Annual returns are outstanding for the 2019 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
------------------------	----------------

2009/04/06	Incorporate Alberta Corporation
2009/05/11	Name Change Alberta Corporation
2011/06/02	Status Changed to Start for Failure to File Annual Returns
2015/02/09	Change Director / Shareholder
2018/07/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/04/06
Restrictions on Share Transfers	ELECTRONIC	2009/04/06
Other Rules or Provisions	ELECTRONIC	2009/04/06

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 "B"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

BMO Bank of Montreal
Chinook Plaza Branch
6550 Macleod Trail SW
Calgary, AB T2H 0K6

(403) 503-7550
(403) 503-7630

Aug 6, 2015
Uwams Supportive Living Ltd.

Attn: Max Uwaga

RE: Commitment Letter

We are most pleased to confirm that we have authorized credit facilities for Uwams Supportive Living Ltd., subject to the terms and conditions outlined in this Commitment Letter.

Please review the letter and provide your acceptance by signing and returning the enclosed copy at your earliest convenience.

We greatly appreciate the opportunity to add value to each other's business and look forward to your acceptance

Sincerely,

Prav Naidoo
Relationship Manager

**Uwams Supportive Living Ltd.
Summary of Terms and Conditions**

Borrower: Uwams Supportive Living Ltd. (the "Borrower")
Lender: BMO Bank of Montreal (the "Bank")

A. CREDIT FACILITIES:

Demand Loan Non-Revolving (DLNR)

Amount: Up to \$620,000 Canadian

Purpose: To assist with construction/expansion of 9504 2St SE Calgary, AB. And payout of existing BMO 1st mortgage 0595526436 (current balance of \$75,879.70)

Repayment: On demand, from company revenues

Interest: Prime Rate plus 2.50% floating, payable monthly. Bank of Montreal's Prime rate at the date of this letter is 2.70%.

Amortization: 15 years

B. GENERAL TERMS & CONDITIONS:

Conditions Precedent:

1. All security documentation is to be prepared, registered and executed in a form satisfactory to the Bank prior to any financing being advanced to the Borrower.

Reporting Requirements: The following reports are to be provided to the Bank:

1. Within 120 days of fiscal year end, accountant-prepared financial statements of the Borrower, Uwams Supportive Living Ltd.
2. Updated "Personal Net Worth" statements of guarantors within 120 days of fiscal year end.

Security to be Obtained:

1. Accepted Commitment Letter (signed by Borrower)
2. General security agreement over all the assets of the company (to be registered under Personal Property Security Act (PPSA) in Alberta with BMO registered in first position.
3. Commercial Loan Insurance to be offered to all shareholders.
4. Promissory note in the amount of \$620,000.

**Uwams Supportive Living Ltd.
Summary of Terms and Conditions**

5. Notarized Guarantee of Indebtedness of an incorporated company - executed by Max Uwaga and Carol Uwaga, in the amount of \$620,000.
6. Collateral Mortgage, registered in 1st position over 9504 2 St SE Calgary, AB in the amount of \$620,000. Mortgage to contain a receiver/manager clause and assignment of rents and leases.
7. Solicitors Letter of opinion - confirming BMO's security position and assignment of fire insurance with BMO as 1st loss payable.
8. Satisfactory appraisal over 9504 2 St SE Calgary, AB confirming an as if complete value of \$1,200,000. (on Hand). Progress inspection to be conducted prior to each draw to confirm cost to complete.
9. Environmental Review and Compliance Checklist to be completed by borrower
10. Deficiency Agreement acknowledged by borrower, confirming that they are responsible for any cost overrun.
11. Copy of final building plans prior to drawdown (on hand)
12. Copy of development /building permits prior to drawdown
13. Evidence of builders "all risk" insurance in place, with BMO to be listed as 1st loss payable.
14. Surveyors Certificate/Real Property Report to be provided once foundation has been laid.
15. Statutory Declaration of Payables to be completed with each draw by contractor.
16. Satisfactory title search prior to each draw to confirm no liens have been added to title.
17. 10% holdback to be maintained until 45 days after substantial completion.
18. Setup of Commercial bank account with BMO for collection of loan payments.
19. Confirmation of discharge of 2nd mortgage over 9504 2 St SE in name of Calvert Home Mortgage Investment Corporation (reg#101 207 297) prior to drawdown of this loan.
20. Confirmation of discharge of Caveat over 9504 2 St SE in name of Calvert Home Mortgage Investment Corporation (reg#101 207 298) prior to drawdown of this loan.

Annual Review & Fees: A \$3,625 application fee

The credit facilities are subject to periodic and at least annual review. The credit review shall be due **120 days after Fiscal Year End** based on reporting requirements.

An annual review fee of **\$450** is payable in conjunction with each annual review of the account. Any extensions of the annual review will be subject to a monthly fee of \$100.

**Uwams Supportive Living Ltd.
Summary of Terms and Conditions**

**Legal Fees &
Related Costs:**

The Borrower will be responsible, in addition to those fees outlined above, for the following:

1. All legal costs including those of the Bank's solicitor, registry searches and registration fees for searching, preparing, execution and registration of all loan and security documentation.
2. All reasonable out of pocket expenses incurred by the Bank in connection with the establishment, administration and enforcement of the facility and the obtaining of applicable security.

D. ACCEPTANCE:

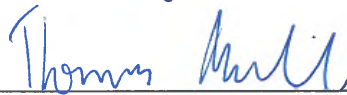
Accepted this 2nd day of August, 2015.

Uwams Supportive Living Ltd.

Maxim Wozniak

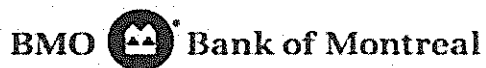
This is Exhibit "C"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019



A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



July 31, 2017

Mr. Max Uwaga
Mrs. Carol Uwaga
UWAMS Supportive Living LTD.
54 Evergreen Terr SW
Calgary, AB
T2Y2V9

Attention: Mr. Max Uwaga & Mrs Carol Uwaga
RE: Construction Financing for owner occupied, assisted care facility at 9504 2 St SE.

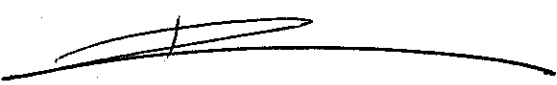
PRIVATE and CONFIDENTIAL

Dear Max and Carol;

Thank you for the opportunity to provide full banking services to your business. We are pleased to confirm the approval of the commercial facilities previously outlined in a discussion paper.

Please review and sign off as your acceptance to the terms of our approval. Once received, the closing process will begin on your loan and documentation will be sent to out to you for signing. If you have any questions, please feel free to contact me directly.

Regards,



Kyle Meville
Commercial Account Manager

Tel: 403-503-6826
Fax: 403-503-6815

BORROWER: UWAMS Supportive Living LTD. (The "Borrower")
LENDER: BMO Bank of Montreal (the "Bank")

Prime Rate: BMO Bank of Montreal's Prime Rate is currently 2.95%.
This rate is subject to change as announced on the BMO Bank of Montreal website. This rate is current as of the date atop this document.

CREDIT FACILITY #1

Amount: \$907,500 (In total- less current draws)
Loan Type: Demand Loan Non-Revolving
Purpose: Construction Financing for owner occupied, assisted care facility at 9504 2 St SE.
Repayment: Interest only until December 31, 2017; monthly thereafter.
Interest Rate: Prime Plus 3.50%
Funding: Based on draw requirements below.
Amortization: 240 Months

DLNR-Demand loan facility shall be non-revolving, and may be terminated in whole or in part and amounts outstanding there under shall be payable in whole or in part upon demand by the Bank, notwithstanding the payment or non-payment of principal, interest or fees by the Borrower or compliance or non-compliance with any undertaking or covenant given to the Bank herein or elsewhere.

GENERAL TERMS & CONDITIONS

Reporting: The Borrower is to provide signed occupancy contracts for new residences as they come in.

The Borrower will provide the Bank with the following information annually within 90 days of each fiscal year:

- Provision of Annual Financial Statements of the Borrower and any related companies
- Provision of Updated Personal net worth Statements. Personal Income Tax Return and Notice of assessment of each Guarantor.
- Provision of Notice of assessment for confirmation of UTD Corporate Taxes.

MM
Initial

Fees: The Borrower will be responsible for payment of the following fees (subject to change):

Rate Reservation Fee	Application Fee	Annual Review Fee	Security Prep Fee	Must use Bank Solicitor
N.A.	\$687.00	\$750	Waived	Yes

The application fee is payable to BMO Bank of Montreal with the approval of this credit. This fee covers the Banks costs in adjudicating the loan request and includes our due diligence in obtaining advice and documentation related to the request presented within this document.

1. All appraisals, legal, accounting and other professional fees, registry searches and registration fees for searching, preparing, execution and registration of all loan and security documentation.
2. All other out-of-pocket expenses incurred by the Bank in connection with establishment, administration and enforcement of Facility/Facilities and obtaining applicable security.

MM
Initial

Conditions precedent:

The following due diligent items are required in order to receive an approval with subject to security items to be in place in order to fund:

1. Signed personal net worth statement by all guarantors- Received
2. Satisfactory environmental review checklist completed on property- Received
3. Approved City of Calgary Plan and Building permit- Received
4. Signed Construction Contract.- Received
5. Approval is subject to Borrower providing cash injection prior to signing this agreement.
6. Borrower's cash injection of \$137,500 is to be held by BMO until initial draw.
7. At the request of the Bank, the Borrower to provide banking statements from any institution providing banking services to the Borrower, until such accounts have been closed.
8. Property taxes to be paid.
9. Borrower to maintain adequate fire insurance at all times, showing BMO as first loss payable.

Account Operations:

1. Borrower is to maintain PRIMARY current account with BMO for UWAMS Supportive Living LTD Business operations.

Security & Documents:

The following Security needs to be completed by Sep 6, 2017:

1. General Security Agreement in 1st place position favor to the Bank for the Borrower.
2. Joint and Several Personal guarantee signed by Max and Carol Uwaga in amount of \$1,200,000.
3. 1st Collateral Mortgage in amount of \$1,200,00.00 over 9504 2 St SE Calgary, Alberta.
4. Variable rate promissory note per draw conditions.
5. Options for Bank's Creditor Life Insurance.
6. Other terms or conditions per draw requirements.

Cash Management:

1. Complimentary meeting from Cash Management Services to determine optimum way to streamline cash flows
2. Set up of Online Banking for Business for ease of use services to pay remittances,
3. Set up of Electronic Funds Transfers for use of payroll services.

Loan Covenants:

Account to maintain Debt Service Ratio of 1.25:1 tested annually at review.

Debt Service Ratio is defined as:

$$\frac{\text{Net Income} + \text{Depreciation} + \text{Amortization} - \text{Dividend Payment}}{\text{Current Portion of Long Term Debt}}$$

Annual Review:

The facility(ies) is subject to the Bank's right of review at any time and in any event no less frequently than annually. Upon the annual review, all fees and interest rates are subject to review and may change. A minimum monthly fee of \$100 will be charged for each month past due. This fee escalates for each month (or portion of a month) for outstanding reviews. Consult your commercial account manager for details. (Fees subject to change).

You will be required to provide the documents stated in the Reporting sub-section above within the time specified on an annual basis.

Min
Initial

Draw Requirements:

- Initial draw of 50% of the contract price to be completed only after new security documentation has been signed with lawyer by borrower.
- All risk construction insurance policy showing the bank as 1st loss payable.
- Appraiser prepared Mtg 110 confirming work in place & cost to complete
- Sufficient funds to be available at all times to complete the project, with overruns to be funded by borrower; Draws on cost to complete basis.
- Statutory declaration of payables by customer/owner & contractor
- Search of property to confirm absence of liens prior to each draw.

Confidentiality:

This term sheet has been issued on a confidential basis. Neither the Borrower named herein, nor any of its employees, officers or agents is to reproduce this document in any form, or otherwise redistribute or disclose the contents to any third party not otherwise agreed by the Bank.

This Indicative Summary of Terms and Conditions accepted:

UWAMS Supportive Living Ltd.

Per: _____

Max Uwaga

Per: _____

Carol Uwaga

Guarantors:

Per: _____

Max Uwaga

Per: _____

Carol Uwaga

This

30th

day of

August

, 2017

This is Exhibit "D"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

BMO V11.1 January 23, 2013

This is Exhibit "E"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the Alberta Personal Property Security Act insofar as it affects personal property located in Alberta.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Alberta:
SEE SCHEDULE "A"

List all premises and asset locations, by schedule, if necessary

2. The Debtor hereby

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future goods and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, building materials, leased goods, plant, machinery, tools and furniture now or hereafter owned or acquired, and any goods specifically listed or otherwise described in any Schedule hereto;

Attach a schedule, if goods and/or equipment are to be listed

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, work in progress, materials used or consumed in business, finished goods and packaging material and goods acquired or held for sale or lease or furnished under contracts of rental or service;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles, chattel paper, securities, documents of title, instruments and money, and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future book debts and other accounts receivable, monetary obligations, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above; and

(d) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, including without limitation client lists, client records and client files, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the goods, inventory, intangibles, chattel paper, securities, documents of title, instruments, money, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral".

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor. The Collateral shall not be removed from the Province of Alberta without the prior written consent of the Bank.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by clause 2 (d) after-acquired consumer goods of the Debtor other than when subject to purchase money security interests in favour of the Bank, and other than accessions.

5. The Debtor

(a) shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the Collateral of the type referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral of the type described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as Trustee for the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may at any time before or after default require any account debtor of the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

(b) covenants not to substitute or modify any of the Debtor's rights under any Collateral of the type listed in sub-clause (c) of clause 2 above without the written consent of the Bank, and any substitution or modification not consented to may at the option of the Bank be treated as an act of default hereunder.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and also against such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall keep proper books of account and shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including financial statements, lists of inventory and equipment and lists of accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account. The Debtor shall

permit the Bank at all reasonable times to enter onto its premises to inspect and copy its books, and to inspect the Collateral.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution of any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof, or a receiver shall be appointed for the Debtor;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor;

(e) the Debtor shall cease to carry on business, or shall fail to keep the Collateral in repair and in good working order, or shall fail to promptly pay when due all taxes, licence fees and assessments levied on the Debtor;

(f) the Bank in good faith and on commercially reasonable grounds deems itself insecure or decides that the due discharge of the Obligations, the Collateral or the security is in jeopardy;

(g) the Debtor shall, without the prior written consent of the Bank, pay any dividend or bonus to shareholders or otherwise distribute or reduce its capital, or make capital expenditures in excess of \$1.00 in any year, or make any capital expenditure or payment while in default of the Obligations, or become guarantor, surety or endorser of the obligations of any other person other than in favour of the Bank, or lend money other than in the ordinary course of its business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by any method not prohibited by law, including by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers, or by sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and if appointed a receiver-manager the power to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination and the Bank may exercise any one or more of such remedies in respect of all or any portion of the Collateral as the Bank deems fit. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. The Bank shall not be responsible for any loss or damage to the Collateral, whether caused by the negligence or fault of the Bank, its servants or agents, or a sheriff or receiver, and the Bank shall not be obliged to preserve rights against other persons, keep the Collateral identifiable or repair, process or prepare the Collateral for disposition, and shall only be liable to account for funds (net of costs of collection, realization and sale, including solicitor and his own client legal costs), actually received by the Bank.

12. Any receiver-manager appointed by the Bank may carry on the business of the Debtor, and in addition to any powers or rights granted by law, a receiver or receiver-manager may, but shall be under no obligation to:

- (a) exercise any power or right granted to the Bank hereunder;
- (b) enter upon any premises under the control of the Debtor and take possession of the Collateral by any method not prohibited by law;
- (c) borrow money by charge against the Collateral for the preservation, processing, maintenance or preparation for sale of the Collateral, or for any other purpose;
- (d) realize on and dispose of the Collateral by any method not prohibited by law, and on any terms, whether to the highest bidder or not and whether in the ordinary course of the Debtor's business or not;
- (e) execute deeds, enter contracts and otherwise act as the attorney of the Debtor in dealing with the Collateral;
- (f) institute, defend, compromise, settle or continue any proceedings relating to the Collateral;
- (g) generally, to do any act necessary or convenient to the realization of the Collateral that the Debtor itself could have done.

13. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

14. The Debtor agrees to pay all reasonable expenses, including solicitor's fees as between a solicitor and his own client and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement or the Obligations, or in the holding, repairing, processing or preparing for disposition and disposing of the Collateral, with interest at the rate provided in the obligations, and the payment of such expenses shall be secured hereby.

15. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

16. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

17. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

18. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

19. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

20. This Security Agreement is a security agreement within the meaning of the Alberta Personal Property Security Act and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

21. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Alberta Personal Property Security Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, this Security Agreement shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

22. The Debtor waives the right to receive any financing statement or financing change statement registered by the Bank and any confirmation of registration or verification statement issued.

23. The Debtor acknowledges receipt of a copy of this Security Agreement.

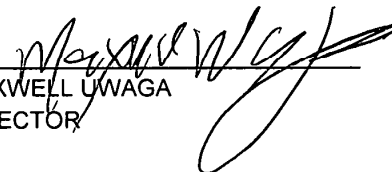
IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 26 day of August 2015.

Insert date of execution

If signed by corporation or other entity (e.g. partnership):

UWAMS SUPPORTIVE LIVING LTD.

By:
Name:
Title:



MAXWELL UWAGA
DIRECTOR

By:
Name:
Title:

By:
Name:
Title:

® Registered trade-marks of Bank of Montreal

CORPORATE AUTHORIZING RESOLUTION

"Whereas it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alterations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future goods, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his or her agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each alone hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such other acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

To be completed by
Secretary or other
authorized officer; insert
name of corporation

Insert the appropriate date

Use applicable clause

To be signed by Secretary or
other authorized officer

CERTIFICATE

I am the President of Uwams Supportive Living Ltd. and I hereby certify that:

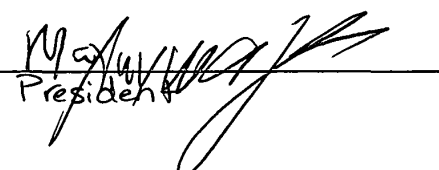
1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 26 day of August 2015.

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

~~3. the resolution was passed at a meeting duly called and held on the date aforesaid and at which a quorum of the directors was present throughout the meeting, all the directors having received proper notice of the meeting or waiving such notice in accordance with the by-laws of the Company~~

or where applicable - the Company is subject to the Business Corporations Act of Alberta and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the Business Corporations Act.

TITLE: President



SCHEDULE "A"

Transmitting Party

CARSCALLEN LLP

#1500 407 2 ST SW
CALGARY, AB T2P2Y3

Party Code: 50046077
Phone #: 403 298 9295
Reference #: 24918.034

Security Agreement

Control #: F03941912

Registration Date: 2015-Sep-11

Registration #: 15091117658

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) _____

OR Renew for Infinity: ☐

Total Discharge : ☐ Discharge permanently removes ALL record of the registration(s).

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:



Security Agreement

Control #: F03941912

Registration Date: 2015-Sep-11

Registration #: 15091117658

The Registration Term is 5 Years

This Registration Expires at 11:59 PM on 2020-Sep-11

Debtor(s)

Block

1 UWAMS SUPPORTIVE LIVING LTD.
9504 - 2 Street S.E.
Calgary, AB T2J 0V9

Block

2 UWAMS SUPPORTIVE LIVING LTD.
54 Evergreen Terrace S.W.
Calgary, AB T2Y 2V9

Secured Party / Parties

Block

1 BANK OF MONTREAL
6550 Macleod Trail S.W.
Calgary, AB T2H 0K6

Collateral: General


Block Description

1 All present and after acquired personal property of the Debtor

End of Verification Statement

This is Exhibit "F"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019



A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the Alberta Personal Property Security Act insofar as it affects personal property located in Alberta.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Alberta:

SEE SCHEDULE "A"

List all premises and asset locations, by schedule, if necessary

2. The Debtor hereby

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future goods and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, building materials, leased goods, plant, machinery, tools and furniture now or hereafter owned or acquired, and any goods specifically listed or otherwise described in any Schedule hereto;

Attach a schedule, if goods and/or equipment are to be listed

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, work in progress, materials used or consumed in business, finished goods and packaging material and goods acquired or held for sale or lease or furnished under contracts of rental or service;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles, chattel paper, securities, documents of title, instruments and money, and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future book debts and other accounts receivable, monetary obligations, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above; and

(d) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind, including without limitation client lists, client records and client files, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the goods, inventory, intangibles, chattel paper, securities, documents of title, instruments, money, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral".

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor. The Collateral shall not be removed from the Province of Alberta without the prior written consent of the Bank.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by clause 2 (d) after-acquired consumer goods of the Debtor other than when subject to purchase money security interests in favour of the Bank, and other than accessions.

5. The Debtor

(a) shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the Collateral of the type referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral of the type described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as Trustee for the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may at any time before or after default require any account debtor of the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

(b) covenants not to substitute or modify any of the Debtor's rights under any Collateral of the type listed in sub-clause (c) of clause 2 above without the written consent of the Bank, and any substitution or modification not consented to may at the option of the Bank be treated as an act of default hereunder.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and also against such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall keep proper books of account and shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including financial statements, lists of inventory and equipment and lists of accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account. The Debtor shall

permit the Bank at all reasonable times to enter onto its premises to inspect and copy its books, and to inspect the Collateral.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution of any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof, or a receiver shall be appointed for the Debtor;
- (d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be bona fide opposed by the Debtor;
- (e) the Debtor shall cease to carry on business, or shall fail to keep the Collateral in repair and in good working order, or shall fail to promptly pay when due all taxes, licence fees and assessments levied on the Debtor;
- (f) the Bank in good faith and on commercially reasonable grounds deems itself insecure or decides that the due discharge of the Obligations, the Collateral or the security is in jeopardy;
- (g) the Debtor shall, without the prior written consent of the Bank, pay any dividend or bonus to shareholders or otherwise distribute or reduce its capital, or make capital expenditures in excess of \$1.00 in any year, or make any capital expenditure or payment while in default of the Obligations, or become guarantor, surety or endorser of the obligations of any other person other than in favour of the Bank, or lend money other than in the ordinary course of its business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by any method not prohibited by law, including by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers, or by sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and if appointed a receiver-manager the power to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination and the Bank may exercise any one or more of such remedies in respect of all or any portion of the Collateral as the Bank deems fit. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. The Bank shall not be responsible for any loss or damage to the Collateral, whether caused by the negligence or fault of the Bank, its servants or agents, or a sheriff or receiver, and the Bank shall not be obliged to preserve rights against other persons, keep the Collateral identifiable or repair, process or prepare the Collateral for disposition, and shall only be liable to account for funds (net of costs of collection, realization and sale, including solicitor and his own client legal costs), actually received by the Bank.

12. Any receiver-manager appointed by the Bank may carry on the business of the Debtor, and in addition to any powers or rights granted by law, a receiver or receiver-manager may, but shall be under no obligation to:

- (a) exercise any power or right granted to the Bank hereunder;
- (b) enter upon any premises under the control of the Debtor and take possession of the Collateral by any method not prohibited by law;
- (c) borrow money by charge against the Collateral for the preservation, processing, maintenance or preparation for sale of the Collateral, or for any other purpose;
- (d) realize on and dispose of the Collateral by any method not prohibited by law, and on any terms, whether to the highest bidder or not and whether in the ordinary course of the Debtor's business or not;
- (e) execute deeds, enter contracts and otherwise act as the attorney of the Debtor in dealing with the Collateral;
- (f) institute, defend, compromise, settle or continue any proceedings relating to the Collateral;
- (g) generally, to do any act necessary or convenient to the realization of the Collateral that the Debtor itself could have done.

13. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

14. The Debtor agrees to pay all reasonable expenses, including solicitor's fees as between a solicitor and his own client and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement or the Obligations, or in the holding, repairing, processing or preparing for disposition and disposing of the Collateral, with interest at the rate provided in the obligations, and the payment of such expenses shall be secured hereby.

15. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

16. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

17. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

18. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

19. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

20. This Security Agreement is a security agreement within the meaning of the Alberta Personal Property Security Act and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

21. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Alberta Personal Property Security Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, this Security Agreement shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

22. The Debtor waives the right to receive any financing statement or financing change statement registered by the Bank and any confirmation of registration or verification statement issued.

23. The Debtor acknowledges receipt of a copy of this Security Agreement.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on the 01 day of September 2017.

If signed by corporation or other entity (e.g. partnership):

UWAMS Supportive Living Ltd.
(Name of Entity)

By: _____
Name: MAXWELL UWAGA
Title: DIRECTOR

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

® Registered trade-marks of Bank of Montreal

CORPORATE AUTHORIZING RESOLUTION

"Whereas it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alterations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future goods, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his or her agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each alone hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such other acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

CERTIFICATE

To be completed by
Secretary or other
authorized officer; insert
name of corporation

~~Secretary~~ ^{PRESIDENT}
I am the ~~Secretary~~ of UWAMS Supportive Living Ltd. and I hereby certify that:

Insert the appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 01 day of September 2017.

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

3. the resolution was passed at a meeting duly called and held on the date aforesaid and at which a quorum of the directors was present throughout the meeting, all the directors having received proper notice of the meeting or waiving such notice in accordance with the by-laws of the Company

Use applicable clause

or where applicable - the Company is subject to the Business Corporations Act of Alberta and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the Business Corporations Act.

To be signed by Secretary or
other authorized officer



Secretary
PRESIDENT

54 Evergreen Terrace S.W.
Calgary, Alberta T2Y 2V9

SCHEDULE "A"

This is Exhibit "G"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019



A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with UWAMS SUPPORTIVE LIVING LTD (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) plus interest thereon at a rate of 3.00 per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

Dated this 01_ day of September, 2017.

Witness

Ben Nuttall

Name: Ben Nuttall

Carol Uwaga

Name: Carol Uwaga

Witness

Ben Nuttall

Name: Ben Nuttall

Max Uwaga

Name: Max Uwaga

® Registered trade-marks of Bank of Montreal



Company Legal Name: UWAMS SUPPORTIVE LIVING LTD

**Document Name: LF305 - Guarantees Acknowledgement Act of Alberta
(Section3)**

Customer Tracking ID: 020233455300700

Application ID: 200073370

Transaction ID: MOD-300277742

ATTENTION:

Please do not remove or discard this sheet and ensure that it is returned with the attached document(s).

CERTIFICATE
(FOR USE IN THE PROVINCE OF ALBERTA ONLY)

I hereby certify that:

1. Max Uwaga, the guarantor in the guarantee dated September 01, 2017 made between Carol Uwaga, Max Uwaga and Bank of Montreal, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

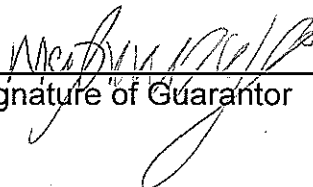
CERTIFIED by Ben Nuttall, Barrister and Solicitor at the City of Calgary, in the Province of Alberta, this 01 day of September, 2017.



Signature of Barrister and Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.



Signature of Guarantor



Company Legal Name: UWAMS SUPPORTIVE LIVING LTD

**Document Name: LF305 - Guarantees Acknowledgement Act of Alberta
(Section3)**

Customer Tracking ID: 020233455300700

Application ID: 200073370

Transaction ID: MOD-300277742

ATTENTION:

Please do not remove or discard this sheet and ensure that it is returned with the attached document(s).

CERTIFICATE
(FOR USE IN THE PROVINCE OF ALBERTA ONLY)

I hereby certify that:

1. Carol Uwaga, the guarantor in the guarantee dated September 01, 2017 made between Carol Uwaga, Max Uwaga and Bank of Montreal, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

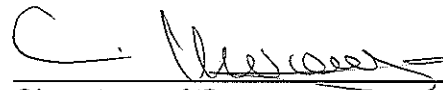
CERTIFIED by Ben Nuttall, Barrister and Solicitor at the City of Calgary, in the Province of Alberta, this 01 day of September, 2017.



Signature of Barrister and Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.



Signature of Guarantor

This is Exhibit "H"
referred to in the Affidavit of

TREVOR BAUER

sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

151246595

ORDER NUMBER: 33517364

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.



Bank of Montreal

**MORTGAGE OF LAND
LAND TITLES ACT (ALBERTA)**

Mortgagor:

Name: Uwams Supportive Living Ltd.

Address: 54 Evergreen Terrace S.W., Calgary, Alberta T2Y 2V9
(as on title)

Name: _____

Address: _____
(as on title)

☐

Joint Tenant

☐

Tenant in Common

☐

Life Estate

☒

Fee Simple

☐

Leasehold

☐

Mortgagee: BANK OF MONTREAL ("BMO")

6550 Macleod Trail S.W.
Calgary, Alberta T2H 0K6

Mortgaged Land Description:

(attach page(s) if space insufficient)

PLAN 577JK
BLOCK 45
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS

Principal Amount Secured: \$620,000.00

Interest Rate: Mortgagee's Prime Rate plus 5% per annum calculated and payable monthly not in advance, both before and after demand, both before and after default and both before and after judgment with interest calculated and payable on overdue interest.

Term of Mortgage / Payment Provision: Payable in full on demand.

Standard Mortgage Terms: The Mortgagor acknowledges that:

- a) This Mortgage of Land consists of the terms contained herein and is subject to the terms contained in the Standard Form Mortgage that was filed with the Registrar of Land Titles under the Land Titles Act as # 101 289 720;

- b) The following clauses of the Standard Form Mortgage are specifically deleted (none are deleted unless specified here):
- c) The following clauses are specifically added to and included in the Standard Form Mortgage (see attached schedule – if no schedule is attached, no clauses are added):
- d) The Mortgagor acknowledges that it understands the nature of the statements made in (a), (b) and (c) above;
- e) The Mortgagor acknowledges receipt of a copy of the Standard Form Mortgage referred to in (a) above containing the mortgage terms;
- f) The Mortgagor is the registered owner of the land being mortgaged;
- g) By signing this Mortgage, the Mortgagor mortgages all of the Mortgagor's estate and interest in the land described herein to BMO for the purposes of securing payment of the principal sum secured, interest and all other amounts or sums secured by this Mortgage.

Dated: August 26, 2015, in the City of Calgary, in the Province of Alberta.

Witness (for individual Mortgagor only)

Mortgagor

Witness (for individual Mortgagor only)

Mortgagor

Uwams Supportive Living Ltd.
Corporate Mortgagor

Witness:

Per: [Signature]

Per: _____

c/s

AFFIDAVIT OF EXECUTION

I, JENNIFER VAN KRAUSE, of the City of Calgary,

in the Province of Alberta, make oath and say:

1. I was personally present and did see MAXWELL UMESKA UWAGA, who is known to me to be the person named in the within (or annexed) instrument, duly sign the instrument;

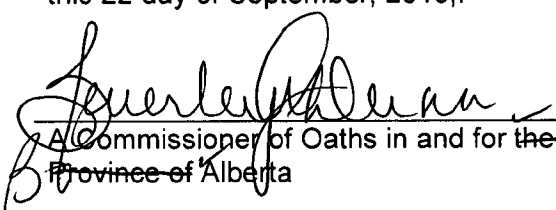
or

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, 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 years of age.

SWORN before me at the City
of Calgary in the Province of Alberta,
this 22 day of September, 2015,.


A Commissioner of Oaths in and for the
Province of Alberta


JENNIFER VAN KRAUSE

BEVERLEY A. DUNN
Commissioner for Oaths
In and for Alberta
Commission Expires: October 7, 2015

DOWER OF AFFIDAVIT

I, _____, of _____,

in the Province of Alberta, MAKE OATH AND SAY:

1. I am the Mortgagor named in the within (or annexed) instrument.

2. I am not married.

or

Neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

Or

I am married to _____ being the person
who executed the release of dower rights registered in the Land Titles Office on
_____, _____, as instrument number
_____.

SWORN before me at the _____)
of _____, in the _____)
Province of Alberta, this _____ day of _____)
_____, _____)

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

CERTIFICATE OF ACKNOWLEDGMENT BY SPOUSE

1. This document was acknowledged before me by _____ apart from her husband (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 (his wife).

Dated at the _____ of _____, in the Province of Alberta, this
_____ day of _____, 20__.

A Commissioner For Oaths in and
For the Province of Alberta

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 property given to me by the Dower Act, to
the extent necessary to give effect to the said disposition.

(Signature of Spouse)

**AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY**

I, MAXWELL UWAGA, of Calgary, Alberta

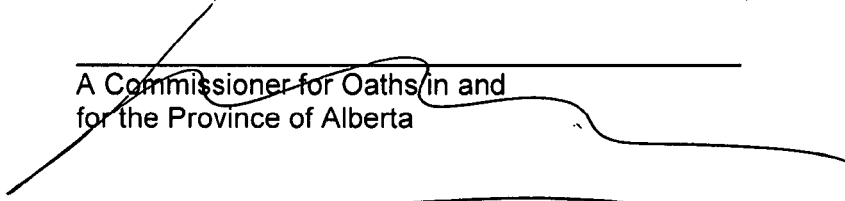
MAKE OATH AND SAY:

1. I am an officer or a director of UWAMS SUPPORTIVE LIVING LTD. named in the within or annexed 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
26 day of August, 2015.

)
)
)
)


MAXWELL UWAGA


A Commissioner for Oaths in and
for the Province of Alberta

JENNIFER VAN KRAUSE
A Commissioner for Oaths
in and for Alberta
My Commission expires on August 03, 2016 ✓



151246595

151246595 REGISTERED 2015 09 23
MORT - MORTGAGE
DOC 1 OF 1 DRR#: C0E9E35 ADR/AKWAN
LINC/S: 0020777124

MORTGAGE AMENDING AGREEMENT
(the "Agreement")

This Agreement will take effect as of September 01, 2017 (the "Effective Date").

The undersigned is indebted to Bank of Montreal ("BMO"). As security for this debt, BMO holds, among other security, a certain mortgage originally registered at the Land Titles Office as registration number 151 246 595 (the "Mortgage") against the following lands owned by the undersigned and which are legally described as:

PLAN 577JK
BLOCK 45
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "Lands")

In consideration of the continuation of the credit extended by BMO to the undersigned and in consideration of the sum of \$1.00, the receipt of which is acknowledged by the undersigned, the undersigned agrees with BMO as follows:

ARTICLE 1
AMENDING AGREEMENT

- 1.1 On the Effective Date the principal sum secured by and payable under the Mortgage will be amended to **\$1,200,000.00**.
- 1.2 For securing repayment of the amounts secured by the Mortgage as hereby amended, the Mortgagor hereby mortgages to BMO all its estate and interest in the Lands.

ARTICLE 2
GENERAL

- 2.1 This Agreement will be read and interpreted with the Mortgage and will be treated as part of it. For such purpose and to the extent necessary to give effect to this Agreement, the Mortgage will be regarded as being amended and the Mortgage so amended, together with all the remaining conditions and covenants in it, will remain in full force and effect.
- 2.2 All terms, conditions and provisions contained in the Mortgage which call for performance by the Mortgagor will be considered covenants and the use of either the word "will" or the word "shall" will have the same mandatory meaning, requiring performance by the Mortgagor.
- 2.3 The undersigned will be responsible for and will pay when rendered all fees and disbursements of BMO, including without limitation legal fees as between a solicitor and own client on a full indemnity basis, in connection with the preparation and registration of this Agreement and all other work related to it or to the Mortgage as amended in this Agreement.
- 2.4 Nothing in this Agreement and no act or omission of BMO in respect of it will in any way prejudice the rights, remedies or powers of BMO with respect to the Mortgage. Neither this Agreement nor anything contained in it will constitute a novation of the Mortgage.

IN WITNESS WHEREOF the undersigned and BMO have executed this Agreement this
01 day of September, 2017.

John Dittell
Witness

UWAMS SUPPORTIVE LIVING LTD.

Per: [Signature]

[Signature]
Witness

BANK OF MONTREAL

Per: [Signature]
Trevor Bauer

JENNIFER VAN KRAUSE

1. That I was personally present and did see **Trevor Bauer** named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am subscribing witness thereto.
3. That I know the said person and he is in my belief of the full age of eighteen years.

GLEN T. PETERSON
Barrister & Solicitor

..Page 3 of 4

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, Trevor Bauer, of Calgary in the Province of Alberta MAKE OATH AND SAY:

1. I am an Officer or Director of Bank of Montreal named in the within or annexed instrument.
2. I am authorized by Bank of Montreal to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
05 day of September, 2017.

A COMMISSIONER FOR OATHS
in and for the Province of Alberta

JENNIFER VAN KRAUSE
A Commissioner for Oaths
in and for Alberta
My Commission expires on August 03, 2019

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, MAXWELL UWAGA, of Calgary in the Province of Alberta MAKE OATH AND SAY:

1. I am an Officer or Director of UWAMS SUPPORTIVE LIVING LTD. named in the within or annexed instrument.
2. I am authorized by UWAMS SUPPORTIVE LIVING LTD. to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
1 day of September, 2017.


A COMMISSIONER FOR OATHS
in and for the Province of Alberta

Ben C. Nuttall
Barrister & Solicitor
A Commissioner for Oaths in
and for the Province of Alberta


MAXWELL UWAGA

AFFIDAVIT OF EXECUTION

I, BEN NUTTALL, of the City of Calgary in the Province of Alberta MAKE OATH AND SAY:

1. That I was personally present and did see **MAXWELL UWAGA** named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am subscribing witness thereto.
3. That I know the said person and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
01 day of September, 2017.


A COMMISSIONER FOR OATHS
in and for the Province of Alberta

JENNIFER VAN KRAUSE
A Commissioner for Oaths
in and for Alberta
My Commission expires on August 03, 2019

Witness signature

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

101289720

ORDER NUMBER: 33518532

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

BANK OF MONTREAL
ALBERTA
STANDARD FORM MORTGAGE
ALL INDEBTEDNESS MORTGAGE
(COMMERCIAL/FARM)

Filing Number _____

The following standard form mortgage (together with the schedule attached hereto, the "**Standard Form Mortgage**") shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number except to the extent that the provisions of the Standard Form Mortgage are excluded or varied by such mortgage or charge.

A. TABLE OF CONTENTS

A.	TABLE OF CONTENTS.....	1
B.	DEFINITIONS.....	2
C.	OPERATION OF THE MORTGAGE	4
	1. Charge of Mortgaged Land.....	4
	2. Repayment of Principal on Demand.....	4
	3. Restriction on Voluntary Prepayments.....	4
	4. Calculation and Payment of Interest.....	4
	5. Continuing Security.....	4
	6. Divided Parts of Mortgaged Land.....	5
	7. Application of Amounts Paid.....	5
	8. Discharge of Mortgage.....	5
	9. Consolidation of Mortgages.....	5
D.	COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR	5
	1. Payment of Principal and Interest.....	5
	2. Observance and Performance of Other Obligations.....	5
	3. Payment of Taxes.....	5
	4. Good Title and Free From Encumbrances.....	5
	5. Insurance.....	6
	6. Payment of Other Encumbrances.....	6
	7. Payment of Expenses.....	6
	8. Compliance with Laws.....	7
	9. Maintain in Good Repair and Avoid Waste.....	7
	10. Environmental Representation and Indemnity.....	7
	11. No Alterations or Change in Use.....	7
	12. No Unapproved Charge or Encumbrance by Mortgagor.....	7
	13. Change in Ownership or Spousal Status.....	7
	14. Expropriation.....	8
	15. Power of Attorney.....	8
	16. Further Assurances.....	8
	17. Business Purposes Only.....	8
	18. No Registration of Condominiums or Strata Title Developments.....	8
	19. Delivery of Information.....	8
	20. No Litigation or Other Proceedings.....	8
	21. Mortgagor a Canadian Resident.....	9
	22. Good Management of Mortgaged Land.....	9
E.	MORTGAGE OF LEASEHOLD INTEREST	9
	1. Representations and Warranties.....	9
	2. Covenants Relating to Lease.....	9
	3. Last Day of Term Excepted.....	10
	4. Charge by way of Sublease.....	10
	5. Leasehold Interests.....	10
F.	ASSIGNMENT OF LEASES AND RENTS	10
	1. Assignment.....	10
	2. Separate Assignments.....	11
	3. Collection by Mortgagor before Default.....	11
	4. No Liability of Mortgagee and Indemnity by Mortgagor.....	11

5.	Re-assignment.....	11
6.	Application by Mortgagee.....	11
7.	Not Mortgagee in Possession.....	11
G.	CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS	11
1.	Compliance with Requirements.....	11
2.	Common Expense Payments.....	11
3.	Right of Mortgagee to Pay.....	11
4.	Voting by Mortgagee.....	11
H.	MORTGAGE AS SECURITY FOR A GUARANTEE.....	12
I.	DEFAULT	12
J.	REMEDIES OF MORTGAGEE	13
1.	Acceleration and Termination of Obligation to Extend Credit.....	13
2.	Right of Entry.....	13
3.	Sale or Lease.....	13
4.	Additional Sale or Lease Provisions.....	14
5.	Attornment.....	14
6.	Right to Distrain.....	14
7.	Judgments and Non-Merger.....	15
8.	Separate Remedies.....	15
9.	Application of Proceeds and Mortgagor's Liability for Deficiency.....	15
10.	Mortgagor's Insolvency Proceedings.....	15
K.	APPOINTMENT OF A RECEIVER.....	16
1.	Appointment.....	16
2.	Powers of Receiver.....	16
3.	Identity of Receiver and Removal.....	16
4.	Receiver as Agent of Mortgagor.....	16
5.	Receivership Expenses.....	16
6.	No Enquiries Required.....	16
L.	MISCELLANEOUS	17
1.	Records of Mortgagee.....	17
2.	Revolving Line of Credit.....	17
3.	Assignment and Syndication.....	17
4.	General Indemnity by Mortgagor.....	17
5.	Effect of Sale.....	17
6.	Dealings with the Mortgagor and Others.....	17
7.	Amendments to Mortgage.....	18
8.	Waiver.....	18
9.	Discharge or Assignment.....	18
10.	No Obligation to Advance.....	18
11.	Appointment of Attorney Irrevocable.....	18
12.	Other Security.....	18
13.	Financing Statement.....	18
14.	Notice.....	18
15.	Different Currencies.....	18
16.	Judgment Currency.....	19
17.	Foreign Exchange Rate Determinations.....	19
18.	Governing Law.....	19
19.	Time of Essence.....	19
20.	Severability.....	19
21.	Interpretation.....	19
22.	Titles.....	19
23.	Joint and Several Obligations.....	19
24.	Schedule.....	19
25.	Equivalent Rate Information.....	19
26.	Successors and Assigns.....	19

B. DEFINITIONS

In this Standard Form Mortgage and in each Mortgage, the following terms shall have the following meanings:

1. **"Applicable Rate"** means:
 - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
 - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. **"Controlling Entity"** means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.
3. **"Default"** means a default referred to in section I.
4. **"Guarantor"** means a person who guaranteed payment of all or any Indebtedness.
5. **"Indebtedness"** means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. **"Insolvency Proceeding"** means a proceeding commenced under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. **"Lease"** means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. **"Mortgage"** means the applicable registered mortgage or charge (as amended from time to time) in which this Standard Form Mortgage is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Form Mortgage is excluded or varied.
9. **"Mortgaged Land"** means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. **"Mortgagee"** means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.
11. **"Mortgagee's Prime Rate"** means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.

12. **"Mortgagor"** means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. **"Other Encumbrances"** means all statutory liens, construction liens, mechanics' liens, builders' liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. **"Permitted Prior Mortgage"** means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. **"Receiver"** means a receiver, receiver and manager or other similar person.
16. **"Schedule"** means a schedule to the Mortgage.
17. **"Taxes"** means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

C. OPERATION OF THE MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Form Mortgage. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor's claims upon the Mortgaged Land.

2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.

3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.

4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall, both before and after Default, be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.

5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:

- (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
- (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;
- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or

- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision or otherwise shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

D. COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and

indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears, public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or other encumbrances consented to by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have (including any right under the *Insurance Act* (Alberta) or the *Fire Prevention (Metropolis) Act* (Alberta)) to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If

the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears and public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness. The Mortgagor acknowledges that it has been advised by its counsel as to the meaning of section 49 of the *Expropriation Act* (Alberta), and being fully aware that under the terms of the said Act the Mortgagee may be restricted to recovering the market value of the Mortgage at the date of any expropriation, the Mortgagor hereby waives the provisions of section 49 of the *Expropriation Act* (Alberta) and further waives any provisions which may be enacted and in force from time to time in replacement of, or in addition to, the provisions of section 49 of the *Expropriation Act* (Alberta).

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default. Such appointment shall, for the purposes of section 115(5) of the *Land Titles Act* (Alberta), constitute an irrevocable power of attorney granted by the Mortgagor. The Mortgagee shall have full power of substitution and may provide any Receiver with the power to exercise such rights as attorney hereunder, and may at any time revoke any such substitution.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application,

litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

E. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. The Mortgagor shall promptly provide to the Mortgagee a copy of any notice the Mortgagor receives from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person under or relating to the Lease of the Mortgaged Land. Upon receipt by the Mortgagee from the Mortgagor, the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any notice, including a notice of default, the Mortgagee may rely thereon and take any action with respect to such notice as may be required in the Mortgagee's sole discretion, including to cure a default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.
- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew

or extend the term of the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal or extension, the Mortgagee may effect such renewal or extension in the name of the Mortgagor or otherwise, and every such renewed or extended Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.

- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall exercise any right to renew or extend the term of the Lease or to assign the Lease as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to exercise any such renewal or extension right and to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease and of any renewal or extension thereof and of any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage (except section E.3.), the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease, the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed, subject to section E.3., to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests as landlord in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.

2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.

3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.

4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to

vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;

- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgage shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgage shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

- 1. the Mortgagor fails to pay any Indebtedness when due;
- 2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
- 3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
- 4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;
- 5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
- 6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
- 7. all or any part of the Mortgaged Land is condemned or expropriated;
- 8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;
- 9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
- 10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
- 11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;

12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
 - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
 - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

J. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale or Lease.* Upon Default, the Mortgagee may without notice sell the whole or any part or parts of the Mortgaged Land by public auction or private contract, or partly one and partly the other, on such terms as to credit or otherwise as to the Mortgagee shall appear most advantageous and for such prices as can reasonably be obtained therefor. Sales may be made from time to time of portions of the Mortgaged Land to satisfy interest or parts of the principal, interest or other monies due, leaving the balance thereof to accrue interest, payable as aforesaid. The Mortgagee may make any stipulations as to title, or evidence of commencement of title, or otherwise, as the Mortgagee shall deem proper. The Mortgagee may buy in at any sale of, or rescind or vary any contract for sale of, any of the Mortgaged Land and resell, without being

answerable for loss occasioned thereby. In case of a lease of any of the Mortgaged Land or a sale on credit, the Mortgagee shall only be bound to apply to payment of Indebtedness such monies as have been actually received from the lessee or purchaser. For any of such purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit. To enable the Mortgagee to exercise the powers granted to it hereunder, the Mortgagor hereby irrevocably appoints the Mortgagee as its attorney and on its behalf to effect any sale, lease or other disposition of the Mortgaged Land, and to execute all instruments and deeds, and do all acts, matters and things that may be necessary or advisable in the name of or on behalf of the Mortgagor or otherwise. Any deed, lease, agreement or other instrument required to be signed under seal and signed by the Mortgagee under its seal pursuant hereto shall have the same effect as if it were signed under the corporate seal of the Mortgagor.

4. *Additional Sale or Lease Provisions.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;
- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;
- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential tenancies and to the extent permitted by law, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives

the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;
- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. Accordingly, the Mortgage shall be deemed to be a revolving line of credit mortgage within the meaning of, and shall take priority in accordance with, the provisions dealing with same in the *Land Titles Act* (Alberta). The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same

and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal with the Mortgagor and all other persons (including any principal debtor, any Guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Form Mortgage is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* This Standard Form Mortgage and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Form Mortgage, the Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Form Mortgage, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Form Mortgage, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule "A" shall form part of the Standard Form Mortgage.

25. *Equivalent Rate Information.* Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance or calculated quarter-annually not in advance. The rate of interest chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.

SCHEDULE "A"

The interest rates set out in Column C are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance set out in Column A and quarter-annually not in advance set out in Column B.

COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated quarter- annually not in advance	COLUMN C Interest rate calculated half-yearly not in advance	COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated quarter- annually not in advance	COLUMN C Interest rate calculated half-yearly not in advance
3.0000%	3.0075%	3.0188%	11.6250%	11.7380%	11.9102%
3.1250%	3.1331%	3.1454%	11.7500%	11.8654%	12.0414%
3.2500%	3.2588%	3.2721%	11.8750%	11.9929%	12.1727%
3.3750%	3.3845%	3.3988%	12.0000%	12.1204%	12.3040%
3.5000%	3.5102%	3.5256%	12.1250%	12.2479%	12.4354%
3.6250%	3.6360%	3.6525%	12.2500%	12.3755%	12.5669%
3.7500%	3.7617%	3.7794%	12.3750%	12.5031%	12.6985%
3.8750%	3.8875%	3.9064%	12.5000%	12.6307%	12.8301%
4.0000%	4.0133%	4.0335%	12.6250%	12.7583%	12.9618%
4.1250%	4.1392%	4.1606%	12.7500%	12.8859%	13.0935%
4.2500%	4.2651%	4.2878%	12.8750%	13.0136%	13.2253%
4.3750%	4.3910%	4.4151%	13.0000%	13.1413%	13.3572%
4.5000%	4.5169%	4.5424%	13.1250%	13.2691%	13.4892%
4.6250%	4.6428%	4.6698%	13.2500%	13.3968%	13.6212%
4.7500%	4.7688%	4.7973%	13.3750%	13.5246%	13.7533%
4.8750%	4.8948%	4.9248%	13.5000%	13.6524%	13.8854%
5.0000%	5.0209%	5.0524%	13.6250%	13.7803%	14.0177%
5.1250%	5.1469%	5.1800%	13.7500%	13.9082%	14.1499%
5.2500%	5.2730%	5.3078%	13.8750%	14.0360%	14.2823%
5.3750%	5.3991%	5.4355%	14.0000%	14.1640%	14.4147%
5.5000%	5.5252%	5.5634%	14.1250%	14.2919%	14.5472%
5.6250%	5.6514%	5.6913%	14.2500%	14.4199%	14.6798%
5.7500%	5.7776%	5.8193%	14.3750%	14.5479%	14.8124%
5.8750%	5.9038%	5.9474%	14.5000%	14.6759%	14.9451%
6.0000%	6.0300%	6.0755%	14.6250%	14.8040%	15.0779%
6.1250%	6.1563%	6.2037%	14.7500%	14.9320%	15.2108%
6.2500%	6.2826%	6.3319%	14.8750%	15.0601%	15.3437%
6.3750%	6.4089%	6.4603%	15.0000%	15.1883%	15.4766%
6.5000%	6.5353%	6.5887%	15.1250%	15.3164%	15.6097%
6.6250%	6.6616%	6.7171%	15.2500%	15.4446%	15.7428%
6.7500%	6.7880%	6.8456%	15.3750%	15.5728%	15.8760%
6.8750%	6.9145%	6.9742%	15.5000%	15.7011%	16.0092%
7.0000%	7.0409%	7.1029%	15.6250%	15.8293%	16.1425%
7.1250%	7.1674%	7.2316%	15.7500%	15.9576%	16.2759%
7.2500%	7.2939%	7.3604%	15.8750%	16.0859%	16.4094%
7.3750%	7.4204%	7.4892%	16.0000%	16.2143%	16.5429%
7.5000%	7.5470%	7.6182%	16.1250%	16.3427%	16.6765%
7.6250%	7.6736%	7.7472%	16.2500%	16.4710%	16.8102%
7.7500%	7.8002%	7.8762%	16.3750%	16.5995%	16.9439%
7.8750%	7.9268%	8.0053%	16.5000%	16.7279%	17.0777%
8.0000%	8.0535%	8.1345%	16.6250%	16.8564%	17.2116%
8.1250%	8.1801%	8.2638%	16.7500%	16.9849%	17.3455%
8.2500%	8.3068%	8.3931%	16.8750%	17.1134%	17.4795%
8.3750%	8.4336%	8.5225%	17.0000%	17.2420%	17.6136%
8.5000%	8.5604%	8.6519%	17.1250%	17.3706%	17.7477%
8.6250%	8.6871%	8.7815%	17.2500%	17.4992%	17.8819%
8.7500%	8.8140%	8.9111%	17.3750%	17.6278%	18.0162%
8.8750%	8.9408%	9.0407%	17.5000%	17.7564%	18.1506%
9.0000%	9.0677%	9.1704%	17.6250%	17.8851%	18.2850%
9.1250%	9.1946%	9.3002%	17.7500%	18.0138%	18.4195%
9.2500%	9.3215%	9.4301%	17.8750%	18.1426%	18.5540%
9.3750%	9.4484%	9.5600%	18.0000%	18.2713%	18.6887%
9.5000%	9.5754%	9.6900%	18.1250%	18.4001%	18.8233%
9.6250%	9.7024%	9.8201%	18.2500%	18.5290%	18.9581%
9.7500%	9.8294%	9.9502%	18.3750%	18.6578%	19.0929%
9.8750%	9.9565%	10.0804%	18.5000%	18.7867%	19.2278%
10.0000%	10.0836%	10.2107%	18.6250%	18.9156%	19.3628%
10.1250%	10.2107%	10.3410%	18.7500%	19.0445%	19.4979%
10.2500%	10.3378%	10.4714%	18.8750%	19.1734%	19.6330%
10.3750%	10.4650%	10.6019%	19.0000%	19.3024%	19.7682%
10.5000%	10.5921%	10.7324%	19.1250%	19.4314%	19.9034%
10.6250%	10.7194%	10.8630%	19.2500%	19.5605%	20.0387%
10.7500%	10.8466%	10.9937%	19.3750%	19.6895%	20.1741%
10.8750%	10.9739%	11.1244%	19.5000%	19.8186%	20.3096%
11.0000%	11.1011%	11.2552%	19.6250%	19.9477%	20.4451%
11.1250%	11.2285%	11.3861%	19.7500%	20.0768%	20.5807%
11.2500%	11.3558%	11.5170%	19.8750%	20.2060%	20.7163%
11.3750%	11.4832%	11.6480%	20.0000%	20.3352%	20.8521%
11.5000%	11.6106%	11.7791%			



101289720

REGISTERED 2010 09 30
101289720
MORS - STANDARD FORM MORTGAGE
DOC 1 OF 1 DR#: D06F13B ADR/AKEIR
NO LAND AFFECTED

This is Exhibit "1"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Search ID #: Z11768859

Transmitting Party

Cassels Brock & Blackwell LLP

888-3rd Street SW, Suite 3810
Bankers Hall West
Calgary, AB T2P 5C5

Party Code: 60006325
Phone #: 403 351 3054
Reference #: 33336-389

Search ID #: Z11768859

Date of Search: 2019-Jul-31

Time of Search: 15:58:05

Business Debtor Search For:

UWAMS SUPPORTIVE LIVING 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 #: Z11768859

Business Debtor Search For:

UWAMS SUPPORTIVE LIVING LTD.

Search ID #: Z11768859

Date of Search: 2019-Jul-31

Time of Search: 15:58:05

Registration Number: 15091117658

Registration Date: 2015-Sep-11

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2020-Sep-11 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

1 UWAMS SUPPORTIVE LIVING LTD.
9504 - 2 STREET S.E.
CALGARY, AB T2J 0V9

Current

Block

Status

2 UWAMS SUPPORTIVE LIVING LTD.
54 EVERGREEN TERRACE S.W.
CALGARY, AB T2Y 2V9

Current

Secured Party / Parties

Block

Status

1 BANK OF MONTREAL
6550 MACLEOD TRAIL S.W.
CALGARY, AB T2H 0K6

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the Debtor

Current

Search ID #: Z11768859

Business Debtor Search For:

UWAMS SUPPORTIVE LIVING LTD.

Search ID #: Z11768859

Date of Search: 2019-Jul-31

Time of Search: 15:58:05

Registration Number: 17080219102

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Aug-02

Registration Status: Current

Expiry Date: 2022-Aug-02 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

1 UWAMS SUPPORTIVE LIVING LTD.
54 EVERGREEN TERRACE S.W.
CALGARY, AB T2Y 2V9

Current

Block

Status

2 UWAMS SUPPORTIVE LIVING LTD.
9504 - 2 STREET S.E.
CALGARY, AB T2J 0V9

Current

Secured Party / Parties

Block

Status

1 BANK OF MONTREAL
9608 MACLEOD TRAIL S.E.
CALGARY, AB T2J 0P7

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the Debtor;

Current

Result Complete

This is Exhibit "J"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville
A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0020 777 124 577JK;45;24 131 148 847

LEGAL DESCRIPTION
PLAN 577JK
BLOCK 45
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;23;15;N
ATS REFERENCE: 5;1;23;22;S

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 021 256 178

REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
131 148 847	25/06/2013	TRANSFER OF LAND	\$1,000,000	SEE INSTRUMENT

OWNERS

UWAMS SUPPORTIVE LIVING LTD.
OF 54 EVERGREEN TERRACE SW
CALGARY
ALBERTA T2Y 2V9

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
151 246 595	23/09/2015	MORTGAGE MORTGAGEE - BANK OF MONTREAL. 6550 MACLEOD TRAIL SW CALGARY ALBERTA T2H0K6 ORIGINAL PRINCIPAL AMOUNT: \$620,000
171 209 843	19/09/2017	AMENDING AGREEMENT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

131 148 847

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AMOUNT: \$1,200,000

AFFECTS INSTRUMENT: 151246595

191 067 801 08/04/2019 TAX NOTIFICATION

BY - THE CITY OF CALGARY.

CREDIT & COLLECTIONS, IMC #8060

800 MACLEOD TRAIL S

CALGARY, ALBERTA

T2P2M5

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 31 DAY OF JULY,
2019 AT 03:50 P.M.

ORDER NUMBER: 37731573

CUSTOMER FILE NUMBER: 33336-389



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).

This is Exhibit "K"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville
A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

**RESTATED COMMITMENT LETTER
AND FORBEARANCE AGREEMENT**

THIS AGREEMENT is dated October 1, 2017

BETWEEN:

UWAMS SUPPORTIVE LIVING LTD.,
a body corporate having a registered
office in Calgary, Alberta
(the "**Borrower**")

- and -

MAXWELL UWAGA,
an individual residing in Calgary, Alberta
- and -

CAROL UWAGA,
an individual residing in Calgary, Alberta
(collectively, Maxwell Uwaga and Carol Uwaga
are referred to as the "**Guarantors**" and
collectively the Borrower and the Guarantors
are referred to as the "**Obligors**")

THE BANK OF MONTREAL,
a Chartered Bank having offices in Calgary, Alberta
(the "**Lender**")

CONTEXT:

- A. The Lender has extended a demand loan, non-revolving facility (the "**Facility**") to the Borrower pursuant to a commitment letter dated August 6, 2015 and accepted on August 8, 2015 and amended by a commitment letter dated July 31, 2017 and accepted on August 30, 2017 (collectively as amended, the "**Credit Agreement**").
- B. The Borrower's indebtedness under the Facility is secured, *inter alia*, by certain security (the "**Security**"), details of which include a general security agreement, a joint and several personal guarantee of the Guarantors and a mortgage registered against Plan 577JK, Block 45, Lot 24 (the "**Property**").
- C. As of the date of this letter, the Borrower is in default under the Credit Agreement and the Security (collectively, the "**Loan Documents**"), which defaults constitute one or more events of default under the Loan Documents (the "**Existing Defaults**").
- D. Each of the Borrower and the Guarantors have requested that the Lender extend the period during which the Lender shall forbear from enforcing its rights and remedies against them under and pursuant to the Loan Documents from the date of this letter to the close of business on April 30, 2018 on the terms and conditions set out in this letter.

In consideration of the Lender's forbearance as described herein and the other accommodations described herein and for other good and valuable consideration, the receipt

and sufficiency of which are hereby irrevocably acknowledged by each of the Obligors, each of the Obligors hereby agrees with the Lender as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement, capitalized terms have the meanings given to them in or contemplated by the Loan Documents.

1.2 Entire Agreement

This Agreement, together with the Loan Documents, and the agreements and other documents to be delivered under this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Loan Documents or the other agreements and documents delivered under this Agreement.

ARTICLE 2 ACKNOWLEDGMENTS

2.1 Acknowledgement of Obligations

The Obligors confirm, acknowledge and agree that as at September 28, 2017, the Borrower is indebted to the Lender under the Facility in the amount of \$700,538.23, together with all future draws, interest, fees and costs thereafter (the "Indebtedness").

2.2 Acknowledgment of Guarantors

The Guarantors acknowledge that:

- (a) They do not dispute the Borrower's liability for the Indebtedness and all other monies from time to time payable under the Loan Documents on any grounds whatsoever;
- (b) They do not dispute their liability to pay the sums demanded of them under their Guarantee on any ground whatsoever and acknowledge that they do not have any claim for set-off, counter-claim or damages on any basis whatsoever against the Lender and if there are any such claims that they expressly waive and release them;
- (c) Their Guarantee has not been release, waived or varied, and each of the Loan Documents to which they are a party and this Agreement constitute legal, valid and binding obligations of such Guarantors, enforceable against them;
- (d) The Lender has and will continue to have valid, enforceable and perfected liens, mortgages, charges and security interests upon and security interests in the collateral and property granted to the Lender under the Loan Documents or otherwise granted or held by the Lender;

- (e) They consent to the Borrower entering into this Agreement and acknowledge and confirm all representations and warranties, confirmations, obligations and covenants of the Borrower set out in this Agreement; and
- (f) To the extent that it is applicable or advisable, they have obtained independent legal advice.

ARTICLE 3 FORBEARANCE IN RESPECT OF EVENT OF DEFAULT

3.1 Forbearance

- (a) In reliance upon the acknowledgments, confirmations, representations, warranties and covenants of the Obligors contained in this Agreement, and subject to the terms and conditions of this Agreement and any other documents or instruments executed in connection with this Agreement, the Lender:
 - (i) Agrees to forbear from exercising its rights and remedies under the Loan Documents or applicable laws in respect of or arising out of the Existing Defaults, subject to the conditions, amendments and modifications contained in this Agreement for the period (the "**Forbearance Period**") commencing on the date of this Agreement and ending on the earlier of:
 - (A) April 30, 2018; and
 - (B) The occurrence or existence of any Terminating Event.
 - (b) Upon the termination of the Forbearance Period, the agreement of the Lender to forbear will automatically and without further action terminate and be of no force and effect, it being expressly agreed that the effect of that termination will be to permit the Lender to immediately exercise all or any part of its rights and remedies under this Agreement, any of the Loan Documents or under applicable law, including:
 - (i) To immediately terminate the Facility under the Loan Documents and cease to grant any further credit facilities without any further notice, passage of time or forbearance of any kind;
 - (ii) To accelerate all of the obligations under the Loan Documents and enforce all of its rights under the Loan Documents in each case without any further notice, passage of time or forbearance of any kind; and
 - (iii) To apply to the Court for the appointment of a receiver, receiver and manager or interim receiver, or privately appoint a receiver and manager or receiver.

3.2 No Other Waivers; Reservation of Rights

The Lender has not waived, and is not by this Agreement or the implementation of this Agreement waiving, the Existing Default or any other such events of default, and the Lender has not agreed to forbear with respect to any of its rights or remedies concerning the Existing Default or any other such events of default (other than, during the Forbearance Period, to the extent expressly set out in this Agreement), which may have occurred or are continuing as of the date of this Agreement or which may occur after the date of this Agreement. The Lender has

not waived any of such rights or remedies, and nothing in this Agreement, and no delay on its part in exercising any such rights or remedies, should be constructed as a waiver of those rights or remedies.

3.3 Fees

In consideration of the Lender's forbearance as set out in this Agreement, the Borrower shall pay to the Lender a forbearance fee in the amount of:

- (a) \$400 per month commencing on October 1, 2017 and continuing through to November 30 2017; and
- (b) \$1,000 per month commencing on December 1, 2017 and continuing through to the end of the Forbearance Period,

(the "Forbearance Fee").

The Forbearance Fee shall be due and owing on the first day of each month and shall be debited from the Borrower's account held with the Lender on the first business day of each month. The forbearance Fee is in addition to all other fees, interest, costs and expenses payable in connection with the Loan Documents, or otherwise. The fee will be fully earned by the Lender despite any failure by any Obligor to comply with any other term of this Agreement.

ARTICLE 4

OBLIGATIONS OF THE OBLIGORS DURING THE FORBEARANCE PERIOD

4.1 Covenants of the Obligors

During the Forbearance Period, each of the Obligors, as the case may be, covenants and agrees as follows:

- (a) Commencing on October 1, 2017, and continuing through to December 1, 2017, the interest rate charged under the Facility is increased to the prime rate of interest plus 4.00%;
- (b) Commencing on December 1, 2017, and continuing through to the end of the Forbearance Period, the interest rate charged under the Facility is increased to the prime rate of interest plus 5.00%;
- (c) During the Forbearance Period, the Borrower agrees and acknowledges that it will make payments towards the Facility as follows:
 - (i) Commencing on the date of this Agreement, the Borrower shall make interest only payments towards the Facility until December 31, 2017; and
 - (ii) Commencing on January 1, 2018, the Borrower shall make monthly payments in the amount of \$3,781.25, plus interest (the "Monthly Payments") towards the Facility until the earlier of the expiry of the Forbearance Period or the repayment of the Indebtedness in full. The first of the Monthly Payments shall be due on January 31, 2018, with all subsequent Monthly Payments due on the last day of each month thereafter;

- (d) The Borrower shall repay the full amount owing under the Facility (including all interest, costs, fees and other expenses incurred under the terms of the Loan Documents and this Agreement) on or before April 30, 2018;
- (e) The Borrower shall provide the Lender with the following documents on the dates set out below, in a form satisfactory to the Lender:
 - (i) a notice to reader yearend financial statement for 2016 on or before November 30, 2017;
 - (ii) a notice to reader yearend financial statement for 2017 on or before February 28, 2018;
 - (iii) a term sheet from a prospective lender on or before March 15, 2018;
- (f) On or before November 30, 2017:
 - (i) construction on any buildings on the Property (the "**Construction**") shall be substantially complete; and
 - (ii) the Borrower shall provide the Lender with a copy of the occupancy certificate, certifying that any buildings on the Property are in compliance with applicable building codes and other laws, and indicating them to be in a condition suitable for occupancy.
- (g) Any amendments to any contracts relating to the Construction shall be provided by the Borrower to the Lender within 5 business of being entered into;
- (h) The payment of any management remuneration of the Borrower as well as any capital expenditures (other than towards the Construction) of the Borrower are prohibited unless expressly approved in writing by the Lender;
- (i) Commencing September 1, 2017, and continuing through to the earlier of the end of the Forbearance Period or the repayment in full of the Indebtedness, the Borrower shall provide the Lender with monthly bank statements (the "**Bank Statements**") relating to the Borrower's accounts held with First Calgary, Scotiabank and any other financial institution that the Borrower does business with. The Bank Statement shall be provided to the Lender on the 25th day of each month, with the September statement to be provided on October 25, 2017 and each monthly statement to be provide on the 25th day of the following month thereafter; and
- (j) The Borrower shall ensure that any amounts due and owing under any insurance policies relating to the Property and/or the Loan Documents, are paid in full and kept current and that any such insurance policies list the Lender as the first loss payable thereunder.

4.2 Additional Covenants

All of the covenants in this Agreement are in addition to and not in substitution for the covenants of the Obligors in the Loan Documents.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

Each of the Obligors represents, warrants and covenants with and to the Lender as follows:

5.1 Representations in Loan Documents

Each of the representations and warranties made by or on behalf of the Obligors to the Lender in any of the Loan Documents was true and correct when made and in all material respects is, except for any representation and warranty set out in any of the Loan Documents relating to the non-existence of an event of default, true and correct on the date of this Agreement, with the same full force and effect as if each of those representations and warranties had been made by the applicable Obligors on the date of, and within, this Agreement.

5.2 Full Effect of Documents

This Agreement and the other Loan Documents are in full force and effect, except as modified by this Agreement.

5.3 No Conflict

The execution and delivery and performance of this Agreement by each Obligor will not violate any requirement of applicable law or any contractual obligation of each Obligor, and will not result in, or require, the creation or imposition of any lien on any of its properties or revenues.

5.4 The Lender May Pursue Remedies

Nothing in this Agreement will prejudice the Lender's rights to pursue any of its remedies including, without limitation, enforcing its rights under any of the Loan Documents:

- (a) prior to acceptance of this Agreement by the Obligors; or
- (b) upon the expiry or earlier termination of the Forbearance Period.

5.5 Terminating Events

Other than as may be consented to in writing by the Lender, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Agreement and an event of default under the Credit Agreement and the other Loan Documents:

- (a) any default or breach by the Borrower or the Guarantors of any obligation or covenant under this Agreement;
- (b) any default or breach of by the Borrower or the Guarantors of any obligation or covenant under the Loan Documents, in addition to those defaults specified in the recitals to this Agreement;
- (c) if the Borrower fails to make any payment when due to the Lender (whether under this Agreement or otherwise);
- (d) any other creditor of any one or more of the Borrower or Grantors exercises or purports to exercise any rights against any of the property, assets or undertakings of any one or more of the Borrower or the Guarantors or if any one or more of the Borrower or Guarantors or any creditor brings any proceeding or takes any other action under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the *Companies' Creditors Arrangement Act* (Canada), the *Business*

Corporations Act of Alberta or Canada, the Winding-Up Act (Canada) or any similar legislation with respect to any of those parties; or

- (e) there has been, in the sole opinion of the Lender, a material adverse change in the affairs of any one or more of the Borrower or the Guarantors or the assets subject to the Lender's security after the date hereof, in addition to those defaults specified in the recitals to this Agreement.

5.6 Effect of Termination

- (a) Upon the earlier of:
 - (i) the expiry of the Forbearance Period, or
 - (ii) the occurrence of a Forbearance Terminating Event,

the Lender may enforce, without further notice or delay, all of its rights and remedies against the Borrower and Guarantors including the issuance of a demand for payment and Notice of Intention to Enforce Security pursuant to section 244 of the BIA or any other enforcement of the security held by the Lender. The Borrower and Guarantors hereby consent to the appointment of a receiver should the Lender request the appointment of a receiver.

- 5.7 The Lender may, at its option and its sole discretion, waive any default hereunder but such waiver shall not constitute a waiver of any subsequent event which would constitute default herein.

ARTICLE 6 GENERAL

6.1 Conditions to Effectiveness of Certain Provisions

The effectiveness of the terms and provisions of Section 4.1 of this Agreement will be subject to the receipt by the Lender, in form and substance satisfactory to the Lender, an original of this Agreement, duly authorized, executed and delivered by the Obligors.

6.2 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Loan Documents are intended or implied, and in all other respects the Loan Documents are specifically ratified, restated and confirmed by all Parties as of the effective date of this Agreement. To the extent of conflict between the terms of this Agreement, the Credit Agreements and the other Loan Documents, the terms of this Agreement will govern.

6.3 Costs and Expenses

The Borrower hereby absolutely and unconditionally agrees to pay to and fully indemnify the Lender, on demand by the Lender at any time and as often as may be required, whether or not all or any of the transactions contemplated by this Agreement are consummated, all fees and disbursements of any counsel to the Lender, any other consultant or agent and all other expenses incurred by the Lender in connection with this Agreement, the Facility or the Loan Documents, including (a) legal expenses in connection with the preparation, negotiation and interpretation of this Agreement, the other agreements or documents contemplated by this Agreement, the Loan Documents and the Security and the administration of the Facility generally; (b) all expenses of advisors and consultants to the Lender (including legal expenses

on a full indemnity basis) incurred in connection with the protection and enforcement of this Agreement, or the Security or in connection with any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution, reorganization, liquidation, moratorium, arrangement or assignment for the benefit of creditors involving the Obligors or any one of them. The Borrower specifically authorizes the Lender to debit from any of the Borrower's accounts with the Lender the amount of any such existing and future fees and disbursements, and other expenses. The Borrower specifically waives all rights it may have to assess any of the legal, agents or other fees previously paid or payable by the Lender to its solicitors or payable to its solicitors, agents or others in connection with or in any way related to the Borrower up to the date of this Agreement.

6.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document delivered in connection with this Agreement will survive the execution and delivery of this Agreement and the other documents in accordance with the provisions of the *Limitation Act* (Alberta) and no investigation by the Lender or any closing will affect the representations and warranties or the right of the Lender to rely upon them.

6.5 Release

- (a) In consideration of this Agreement and for other good and valuable consideration, each Obligor, on their own behalf and on behalf of their respective successors, assigns, and other legal representatives, absolutely, unconditionally and irrevocably releases the Lender, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (all of which are referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities (individually, a "Claim" and collectively, "Claims") known or unknown, both at law such Obligor or any of their respective successors, assigns, or other legal representatives may now or later have or claim against any of the Releasees by reason of any circumstance, action, cause or thing which arises at any time on or prior to the date of this Agreement, including for or on account of, or in relation to, or in any way in connection with, any of the Loan Documents or transactions under or related to the Loan Documents;
- (b) Each Obligor understands, acknowledges and agrees that the release set out in Section 6.5(a) may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release; and
- (c) each Obligor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of the release set out in Section 6.5(a).

6.6 Review by Legal Counsel

Each Obligor represents and warrants to the Lender that it:

- (a) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- (b) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligor may wish; and
- (c) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person. The parties hereto acknowledge and agree that neither this Agreement nor the other documents executed pursuant hereto will be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents executed pursuant hereto or in connection herewith.

6.7 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

6.8 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and adorns to the non-exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity arising from this Agreement.

6.9 Tim of Essence

Time is of the essence in all respects of this Agreement.

6.10 Notices

Any Communication must be in writing and either personally delivered; sent by prepaid registered mail; sent by facsimile; sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Borrower at:

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9
Attention: Maxwell & Carol Uwaga
E-mail: usl@shaw.ca

to the Guarantors at:

Maxwell & Carol Uwaga
54 Evergreen Terrace SW

Calgary, Alberta T2Y 2V9
E-mail: usl@shaw.ca

to the Lender at:

Bank of Montreal
6th Floor, 350 – 7th Avenue SW
Calgary, Alberta, T2P 3N9
Attention: Trevor Bauer
E-mail: Trevor.Bauer@bmo.com

with a copy to:

Cassels Brock & Blackwell LLP
1250, 440 2nd Avenue SW
Calgary, Alberta T2P 5E9
Attention: Danielle Marechal
E-mail: dmarechal@casselsbrock.com

or at such other address as any Party may from time to time advise the other by Communication given in accordance with this Section 6.10. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 4 p.m. (local time of the recipient), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the 5th Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by facsimile or functionally equivalent electronic transmission.

6.11 Further Assurances

Each Obligor will, at its own cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the Lender to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide such assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

6.12 Amendment or Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

6.13 Assignment and Enurement

Neither the Borrower nor the Guarantors will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Lender. The Lender may assign

this Agreement and any of its rights and obligations under this Agreement without the consent of or notice to the Borrower or the Guarantors. This Agreement enures to the benefit of and is binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

6.14 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

6.15 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

6.16 Facsimile Signatures

Delivery of this Agreement by facsimile transmission constitutes valid and effective delivery.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement as of the date noted above.

THE BANK OF MONTREAL

By: 

Name:

Title:

TREVOR BAUER
ACCOUNT MANAGER, SPECIAL ACCOUNTS
BANK OF MONTREAL

By:

Name:

Title:

UWAMS SUPPORTIVE LIVING LTD.

By: 

Name:

Title:

Maxwell Uwaga
Director

By:

Name:

Title:

Witness


Ndut Ogawa

Witness


MAXWELL UWAGA

Witness


Ndut Ogawa

Witness


CAROL UWAGA

SCHEDULE "A"
AFFIDAVIT VERIFYING
SIGNING AUTHORITY

I, Maxwell Uwage of the City of Calgary, in the Province of Alberta, make oath and say:

1. I am a director of UWAMS Supportive Living Ltd. named in the within agreement.
2. I am authorized by UWAMS Supportive Living Ltd. to execute the within document.

SWORN BEFORE ME at the City of
Calgary, in the Province of
Alberta, this 11 day of October
2017

A Commissioner for Oaths in and for the
Province of Alberta

KIMBERLEY HOLLAND

Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

KAHANE LAW OFFICE
Barristers & Solicitors
7309 Flint Road S.E.
Calgary, Alberta
T2H 1G3

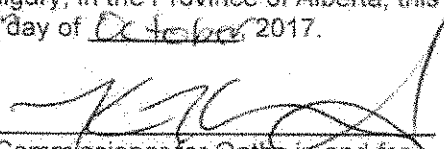
AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

) I, Ndu Uwaga, of the
)
) City of Calgary in the Province of Alberta,
)
MAKE OATH AND SAY AS FOLLOWS:


1. That I was personally present and did see Maxwell Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Maxwell Uwaga and he is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
11th day of October, 2017.


A Commissioner for Oaths in and for
the Province of Alberta

KIMBERLEY HOLLAND
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

KAHANE LAW OFFICE
Barristers & Solicitors
7309 Flint Road S.E.
Calgary, Alberta
T2H 1G3



AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

) I, Max Uwaga, of the
)
) City of Calgary in the Province of Alberta,
)
) MAKE OATH AND SAY AS FOLLOWS:

1. That I was personally present and did see Carol Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Carol Uwaga and she is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
17 day of October 2017.


A Commissioner for Oaths in and for
the Province of Alberta

KIMBERLEY HOLLAND

Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

KAHANE LAW OFFICE
Barristers & Solicitors
7309 Flint Road S.E.
Calgary, Alberta
T2H 1G3


Max Uwaga

GUARANTEES ACKNOWLEDGMENT ACT

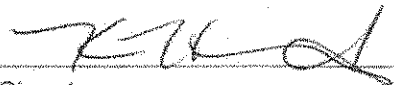
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Maxwell Uwaga, the guarantor in the guarantee dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 KIMBERLEY HOLLAND
Barrister & Solicitor, Lawyer at the City of Calgary at Alberta
this 11th day of October 2017.



Signature
KIMBERLEY HOLLAND
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.



MAXWELL UWAGA

GUARANTEES ACKNOWLEDGMENT ACT

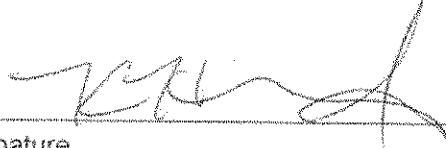
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Carol Uwaga, the guarantor in the guarantees dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 KIMBERLEY HOLLAND
Barrister & Solicitor, Lawyer at the City of Calgary at Alberta
this 17 day of October 2017.


Signature

KIMBERLEY HOLLAND
Barrister & Solicitor

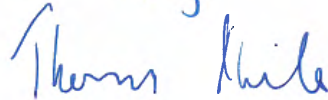
STATEMENT OF GUARANTOR

I am the person named in this certificate.


CAROL UWAGA

This is Exhibit "L"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019



A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



May 11, 2018

By Courier & Email: usi@shaw.ca

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

joliver@casselsbrock.com

tel: 403.351.2921.

fax: 403.444.6758

file # 33336-389

Attention: Max and Carol Uwaga

Dear Sir:

Re: Credit facilities made available by the Bank of Montreal (the "Lender") to UWAMS Supportive Living Ltd. (the "Borrower") and guaranteed by Max and Carol Uwaga (collectively, the "Guarantors")

We are counsel to the Lender.

We refer you to a commitment letter dated August 6, 2015 and amended on July 31, 2017 (as amended, the "**Commitment Letter**") between the Borrower and the Lender. We also refer you to:

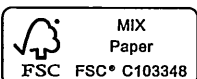
- (a) a mortgage (as amended, the "**Mortgage**") between the Borrower and the Lender dated August 26, 2015 and amended on September 1, 2017;
- (b) two general security agreements between the Borrower and the Lender dated August 26, 2015 and September 1, 2017;
- (c) a guarantee in the limited amount of \$620,000 between the Borrower and the Guarantors dated August 25, 2015; and
- (d) a guarantee in the limited amount of \$1,200,000 between the Borrower and the Guarantors dated September 1, 2017,

(collectively, the "**Security**").

We also refer you to a forbearance agreement dated October 1, 2017 (the "**Forbearance Agreement**") between the Lender, the Borrower and the Guarantors, which terminated on April 30, 2018. Unless otherwise defined in this letter, all capitalized terms will have the meaning ascribed to them in the Commitment Letter.

Pursuant to the Commitment Letter, the Lender established in favour of the Borrower certain facilities. There are currently seven demand loan non-revolving facilities that are active under the following account numbers: 0526-6997-875, 0526-6998-173, 0526-6998-210, 0526-6998-253, 0526-6998-296, 0526-6998-683, and 0526-6997-824 (collectively, the "**Facilities**").

The Facilities are demand facilities pursuant to which the Lender is entitled to demand repayment at any time. In accordance with its rights, the Lender hereby demands payment of





\$860,672.68 (the "Indebtedness"), which sum includes principal and interest as at May 9, 2018 as follows:

Outstanding principal under the Facilities as at May 9, 2018	\$847,233.75
Accrued interest as at May 9, 2018	\$13,438.68
TOTAL	\$860,672.68

Interest on the Indebtedness will continue to accrue to the date of payment at the rate set out in the Commitment Letter. The exact amount of the Indebtedness and interest which will have accrued to any date of payment shall be obtained by contacting the Lender. You will also be required to pay the Lender's legal and other expenses in connection with the Indebtedness.

Please be advised that if payment or arrangements satisfactory to the Lender are not made within 10 days of the date of this letter, the Lender will take whatever steps it deems necessary to recover the outstanding obligations of the Borrower including, without limitation, to enforce its Security.

Enclosed is a Notice of Intention to Enforce Security addressed to the Borrower and issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Should you wish to consent to the immediate enforcement by the Lender of its Security, please sign the consent and waiver below and return it to the attention of the undersigned at your earliest convenience.

The Lender expressly reserves its rights to proceed with the enforcement of its rights and remedies under the Security held by the Lender at any time, without further notice to you, if it becomes aware of any circumstances that might prejudice its position.

Yours truly,

Cassels Brock & Blackwell LLP

For: Jeffrey Oliver
Partner

JO/dm

ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security issued by the Lender pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) in respect of the Security granted in favour of the Lender and hereby consents to the Lender enforcing its Security prior to the expiry of the 10 day period stipulated in such notice. The Borrower hereby waives all cure periods to which it may be entitled.

UWAMS Supportive Living Ltd.

Per:

Name:

Title:

**NOTICE OF INTENTION TO ENFORCE SECURITY UNDER SECTION 244(1) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: UWAMS Supportive Living Ltd. (the "**Debtor**")

Take notice that:

1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), The Bank of Montreal (the "**Secured Party**") intends to enforce its security on the Debtor's property and assets described below (collectively, the "**Collateral**").
 - (a) all of the Debtor's present or after-acquired personal property; and
 - (b) lands and premises legally described as:
Plan 577 JK
Block 45
Lot 24
Excepting thereout all mines and minerals
2. The security that is to be enforced is in the form of:
 - (a) a general security agreement dated August 26, 2015 between the Debtor and the Secured Party;
 - (b) a general security agreement dated September 1, 2017 between the Debtor and the Secured Party; and
 - (c) a mortgage dated August 26, 2015 and amended on September 1, 2017 between the Debtor and the Secured Party,(collectively, the "**Security**").
3. The amount of indebtedness secured by the Security as at May 9, 2018 is \$860,672.68, plus interest and costs to the date of payment.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.


Date May 11, 2018.

**THE BANK OF MONTREAL, by its solicitors
CASSELS BROCK & BLACKWELL LLP**

For: By: 
Name: Jeffrey Oliver
Title: Partner

This is Exhibit "M"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019



A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



May 11, 2018

By Courier & Email: usi@shaw.ca

Max and Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

joliver@casselsbrock.com

tel: 403.351.2921.

fax: 403.444.6758

file # 33336-389

Dear Sir:

Re: Credit facilities made available by the Bank of Montreal (the "Lender") to UWAMS Supportive Living Ltd. (the "Borrower") and guaranteed by Max and Carol Uwaga (collectively, the "Guarantors")

We are counsel to the Lender.

We refer you to the following documents:

- (a) a commitment letter dated August 6, 2015 and amended on July 31, 2017 (as amended, the "**Commitment Letter**") between the Borrower and the Lender; and
- (b) a forbearance agreement dated October 1, 2017 (the "**Forbearance Agreement**") between the Lender, the Borrower and the Guarantors, which terminated on April 30, 2018.

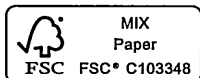
We also refer you to:

- (a) a guarantee between the Borrower and the Guarantors dated August 25, 2015 in the limited amount of \$620,000; and
 - (b) a second guarantee between the Borrower and the Guarantors dated September 1, 2017 which, for valid consideration, increased the limited guarantee amount to \$1,200,000,
- (collectively, the "**Guarantees**").

Unless otherwise defined in this letter, all capitalized terms will have the meaning ascribed to them in the Commitment Letter.

Pursuant to the Commitment Letter, the Lender established in favour of the Borrower certain facilities. There are currently seven demand loan non-revolving facilities that are active under the following account numbers: 0526-6997-875, 0526-6998-173, 0526-6998-210, 0526-6998-253, 0526-6998-296, 0526-6998-683, and 0526-6997-824 (collectively, the "**Facilities**").

The Facilities are demand facilities pursuant to which the Lender is entitled to demand repayment at any time. In accordance with its rights, the Lender demanded payment of





\$860,672.68 (the "**Indebtedness**"), which sum includes principal and interest as at May 9, 2018. As such, the Facilities are now due and payable and the Borrower is indebted to the Lender in the amount of the Indebtedness.

The Guarantors have guaranteed the repayment of the Indebtedness in a limited amount under the Guarantees. The Lender hereby demands payment in full of the Indebtedness by the Guarantors in accordance with the Guarantees. Interest on the Indebtedness has accrued and will continue to accrue to the date of payment at the rate set out in the Commitment Letter. The exact amount of the Indebtedness and interest which will have accrued to any date of payment shall be obtained by contacting the Lender. You will also be required to pay the Lender's legal and other expenses in connection with the Indebtedness.

Please be advised that if payment or arrangements satisfactory to the Lender are not made within 10 days of the date of this letter, the Lender will take whatever steps it deems necessary to recover the outstanding obligations of the Borrower including, without limitation, to enforce its security.

The Lender expressly reserves its rights to proceed with the enforcement of its rights and remedies under the security held by the Lender at any time, without further notice to you, if it becomes aware of any circumstances that might prejudice its position.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in blue ink, appearing to read 'Jeffrey Oliver', written over a horizontal line.

For: Jeffrey Oliver
Partner

JO/dm

This is Exhibit "N"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 12 day of
August, 2019

Thomas Neville
A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

**RESTATED CREDIT AND
FORBEARANCE AGREEMENT**

THIS AGREEMENT is dated August 24, 2018 (the "**Effective Date**")

BETWEEN:

UWAMS SUPPORTIVE LIVING LTD.,
a body corporate having a registered
office in Calgary, Alberta

(the "**Borrower**")

- and -

MAXWELL UWAGA,
an individual residing in Calgary, Alberta

- and -

CAROL UWAGA,
an individual residing in Calgary, Alberta

(collectively, Maxwell Uwaga and Carol Uwaga
are referred to as the "**Guarantors**" and
collectively the Borrower and the Guarantors
are referred to as the "**Obligors**")

THE BANK OF MONTREAL,
a Chartered Bank having offices in Calgary, Alberta

(the "**Lender**")

CONTEXT:

- A. The Lender has extended a demand loan, non-revolving facility (as amended, the "**Facility**") to the Borrower pursuant to a commitment letter dated August 6, 2015 and accepted on August 8, 2015 and amended by a commitment letter dated July 31, 2017 and accepted on August 30, 2017 (collectively as further amended, the "**Credit Agreement**").
- B. The Borrower's indebtedness under the Facility is secured, *inter alia*, by certain security (the "**Security**", collectively with the Credit Agreement, the "**Loan Documents**"), details of which include a general security agreement, a joint and several personal guarantee of the Guarantors and a mortgage registered against Plan 577JK, Block 45, Lot 24 (the "**Property**");
- C. The Borrower operates a supportive living business (the "**Business**") on the Property. The Borrower has obtained an occupancy certificate for the Business and as at the Effective Date three (3) of the ten (10) beds operated by the Business have been occupied;
- D. Pursuant to a Restated Commitment Letter and Forbearance Amending Agreement dated October 1, 2017 (the "**Original Forbearance Agreement**"), the Lender agreed to forbear from enforcing its rights and remedies against the Obligors under and pursuant

to the Loan Documents until the close of business on April 30, 2018 on the terms and conditions set out in the Forbearance Agreement;

- E. On May 11, 2018, following the expiry of the Original Forbearance Agreement, the Lender issued a demand letter and notice of intention to enforce security under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") against the Borrower as well as a demand letter against the Guarantors;
- F. As of the date of this Agreement, the Borrower is in default under the Loan Documents, which defaults constitute one or more events of default under the Loan Documents (the "**Existing Defaults**");
- G. Each of the Obligors have requested that the Lender forbear from enforcing its rights under the Loan Documents on the conditions set out herein.

In consideration of the Lender's forbearance as described herein and the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the Obligors, each of the Obligors hereby agrees with the Lender as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement, capitalized terms have the meanings given to them in or contemplated by the Loan Documents.

1.2 Entire Agreement

This Agreement, together with the Loan Documents, and the agreements and other documents to be delivered under this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Loan Documents or the other agreements and documents delivered under this Agreement.

ARTICLE 2 ACKNOWLEDGMENTS

2.1 Acknowledgement of Obligations

By accepting the terms and conditions of this Agreement, the Obligors each hereby confirm, acknowledge, agree, represent and warrant to the Lender that:

- (a) As at August 23, 2018, the Borrower is indebted to the Lender under the Facility in the amount of \$883,400.88 (inclusive of principal and accrued interest but excluding fees and costs), together with all future draws, interest, fees and costs as well as fees and costs not previously included in the indebtedness (collectively, the "**Indebtedness**") free of any right of defence, counterclaim, set-off, offset or combination of accounts of any kind whatsoever.
- (b) The statements contained in the Recitals of this Agreement are true, accurate and complete in every material detail.

- (c) As of the date of this Agreement, the Existing Defaults have occurred, the Lender has not waived any of the Existing Defaults, all of which are subsisting, and the Lender is entitled to exercise its enforcement rights.
- (d) The Loan Documents are each legal, valid, binding, subsisting and enforceable obligations of the Obligor who are parties thereto in accordance with their respective terms.
- (e) The Lender has and will continue to have valid, enforceable and perfected liens, mortgages, charges and security interests upon and security interests in the collateral and property granted to the Lender under the Loan Documents or otherwise granted or held by the Lender.
- (f) Each of this Agreement and the other instruments and documents contemplated hereby have been duly executed and delivered and constitutes a legal, valid and binding obligation of such party enforceable in accordance with its terms, subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditor's enforcement rights generally and the exercise of judicial discretion in accordance with general principles of equity.
- (g) As of August 14, 2018, the encumbrances listed in Schedule "A" hereto (collectively, the "**Encumbrances**") are registered in the Alberta Land Titles Registry against the Property. Those encumbrances listed on Schedule "A" as items 3 through 5 are collectively referred to as the "**Builder's Liens**".

2.2 Acknowledgment of Guarantors

The Guarantors acknowledge that:

- (a) They do not dispute the Borrower's liability for the Indebtedness and all other monies from time to time payable under the Loan Documents on any grounds whatsoever.
- (b) They do not dispute their liability to pay the sums demanded of them under their Guarantee on any ground whatsoever and acknowledge that they do not have any claim for set-off, counter-claim or damages on any basis whatsoever against the Lender and if there are any such claims that they expressly waive and release them.
- (c) Their Guarantee has not been release, waived or varied, and each of the Loan Documents to which they are a party and this Agreement constitute legal, valid and binding obligations of such Guarantors, enforceable against them.
- (d) They consent to the Borrower entering into this Agreement and acknowledge and confirm all representations and warranties, confirmations, obligations and covenants of the Borrower set out in this Agreement.
- (e) To the extent that it is applicable or advisable, they have obtained independent legal advice.

ARTICLE 3 FORBEARANCE IN RESPECT OF EVENT OF DEFAULT

3.1 Forbearance

In reliance upon the acknowledgments, confirmations, representations, warranties and covenants of the Obligors contained in this Agreement, and subject to the terms and conditions of this Agreement and any other documents or instruments executed in connection with this Agreement, the Lender agrees to forbear from exercising its rights and remedies under the Loan Documents or applicable laws in respect of or arising out of the Existing Defaults, subject to the conditions, amendments and modifications contained in this Agreement (the "**Forbearance**") for the period (the "**Forbearance Period**") commencing on the date of this Agreement and ending on the earlier of:

- (a) April 30, 2019; and
- (b) The occurrence or existence of any Terminating Event.

3.2 Terms of Forbearance

The Forbearance shall be on and subject to the following terms and conditions:

- (a) Amendment to Facility. As at the Effective Date the amount of the Facility under the Credit Agreement shall be amended to \$960,000 (in total, less current draws). The Borrower shall not be entitled to make any additional draws on the Facility without the prior written consent of the Lender, which consent shall be provided or withheld in accordance with subsections 3.2(d) to (h) of this Agreement.
- (b) Additional Security. At the time this Agreement is executed, the Borrower shall execute a promissory note in a principal amount not to exceed \$960,000 substantially in the form attached as Schedule "B" hereto.
- (c) Interest. During the Forbearance Period, the monthly interest rate charged under the Facility shall continue at prime plus 5.0% (the "**Interest Rate**") provided that upon the Borrower providing the Lender with proof (in a form satisfactory to the Lender in its sole discretion) of the following occupancy milestones, the Interest Rate shall be amended as follows:
 - (i) Upon proof that a total of six (6) beds of the Business are fully occupied, the Interest Rate shall be reduced to prime plus 4.25%;
 - (ii) Upon proof that a total of eight (8) beds of the Business are fully occupied, the Interest Rate shall be reduced to prime plus 3.75%; and
 - (iii) Upon proof that a total of ten (10) beds of the Business are fully occupied, the Interest Rate shall be reduced to prime plus 3.25%;

Any changes to the Interest Rate in accordance with this subsection 3.2(c) shall be effective on the first day of the month following which proof of occupancy was furnished to the Lender.

- (d) Lien Settlement. On or before October 31, 2018, counsel to the Borrower shall effect a settlement (the "**Lien Settlement**") with the holders of the Builder's Liens (collectively, the "**Lienors**"), which settlement shall result in:
 - (i) The discharge of each of the Builder's Liens from title to the Property; and

- (ii) The execution of settlement and release agreements (the "**Settlement and Releases**") by each of the Lienors in relation to the Builder's Liens.
- (e) Settlement and Release. The Settlement and Release shall be in a form satisfactory to the Lender and shall ensure that any claim by the Lienors against the Obligors (or any one of them) and the Property are fully and finally satisfied and released and that the Builder's Liens are discharge from title to the Property.
- (f) Proof of Settlement. Forthwith upon execution of the Settlement and Releases, counsel to the Borrower shall provide the Lender with proof that the Lienors have submitted a request to discharge the Builder's Liens as well as proof that the Builder's Liens have been finally discharged.
- (g) Settlement Funds. Upon the Lender, acting reasonably, being satisfied that:
 - (i) A Lien Settlement has been reached with the Lienors;
 - (ii) Counsel to the Borrower has provided an undertaking that any funds advance by the Lender to the Borrower or to counsel to the Borrower (the "**Settlement Funds**") shall only be used to effect the Lien Settlement in accordance with subsections 3.2(d) to (g) of this Agreement; and
 - (iii) The terms and conditions under subsections 3.2(d) to (g) of this Agreement will be complied with forthwith upon the Settlement Funds being advanced to the Borrower;the Lender shall advance to the Borrower or to counsel to the Borrower funds in the maximum amount of \$60,600 from the undrawn portion of the Facility (the "**Additional Draw**").
- (h) Additional Settlement Funds. In the event that the Additional Draw is insufficient to effect the Lien Settlement in accordance with subsections 3.2(d) to (g) of this Agreement, the Borrower shall find additional funding to effect the Lien Settlement (the "**Additional Settlement Funds**"), provided however that the Additional Settlement Funds shall not be paid from the working capital or any other assets of the Business.
- (i) Other Accounts. On or before August 31, 2018, the Borrower shall close any bank accounts held by the Borrower at any financial institution(s) other than the Lender (the "**Non-Lender Accounts**"), including but not limited to the Borrowers account(s) with the Bank of Nova Scotia. Within ten (10) business days of closing the Non-Lender Accounts, the Borrower shall provide the Lender with proof that the Non-Lender Accounts have been closed in a form satisfactory to the Lender in its sole discretion.
- (j) Accounting. The Borrower shall engage an accounting firm, which accounting firm shall be approved by the Lender, to prepare the following documents on or before the dates set out below, which shall be satisfactory to the Lender in form and substance:
 - (i) A notice to reader year end financial statement for 2018, which statement shall be provided to the Lender on or before March 31, 2019; and

- (ii) A cash flow projection and budget for the period from the Effective Date to December 31, 2019, which projection and budget shall be provided to the Lender on or before September 28, 2018.

Any and all fees incurred as result of engaging the accounting firm in accordance with this subsection 3.2(j) shall be for the account of the Borrower and shall not be paid or otherwise satisfied (whether in full or in part) using funds drawn from the Facility unless otherwise agreed to in writing by the Lender.

- (k) Monthly Payments. During the Forbearance Period, the Borrower shall make payments towards the Facility as follows:

- (i) Commencing on the Effective Date, the Borrower shall make monthly interest payments at the Interest Rate; and
- (ii) Commencing January 31, 2019, the Borrower shall make monthly principal payments in the amount of \$5,333.34.

All monthly payments set out in this subsection 3.2(k) shall be due on the last day of each month.

- (l) Business Plan. On or before ~~August 31, September 30~~, 2018, the Borrower shall provide the Lender with a business plan detailing the Borrower's intended plan to ensure all ten (10) beds of the Business are occupied on or before January 1, 2019.
- (m) Proof of Occupancy. On or before January 1, 2019, the Borrower shall provide the Lender with proof (in a form satisfactory to the Lender acting in its sole discretion) that all ten (10) beds of the Business are fully occupied.
- (n) Appraisal. On or before September 30, 2018, the Borrowers shall provide the Lender with a copy of the appraisal for the Property (the "**Appraisal**"), which Appraisal was originally prepared for Pillar Capital Corp. The Appraisal shall be accompanied with a transmittal letter from the appraiser indicating that the Lender is entitled to rely on the Appraisal.

3.3 Termination of Forbearance Period

Upon the termination of the Forbearance Period, the agreement of the Lender to forbear will automatically and without further action terminate and be of no force and effect, it being expressly agreed that the effect of that termination will be to permit the Lender to immediately exercise all or any part of its rights and remedies under this Agreement, any of the Loan Documents or under applicable law, including:

- (a) To immediately terminate the Facility under the Loan Documents and cease to grant any further credit facilities without any further notice, passage of time or forbearance of any kind;
- (b) To accelerate all of the obligations under the Loan Documents and enforce all of its rights under the Loan Documents in each case without any further notice, passage of time or forbearance of any kind; and
- (c) To apply to the Alberta Court of Queen's Bench for the appointment of a receiver, receiver and manager or interim receiver, or privately appoint a receiver and manager or receiver.

3.4 No Other Waivers; Reservation of Rights

The Lender has not waived, and is not by this Agreement or the implementation of this Agreement waiving, the Existing Default or any other such events of default, and the Lender has not agreed to forbear with respect to any of its rights or remedies concerning the Existing Default or any other such events of default (other than, during the Forbearance Period, to the extent expressly set out in this Agreement), which may have occurred or are continuing as of the date of this Agreement or which may occur after the date of this Agreement. The Lender has not waived any of such rights or remedies, and nothing in this Agreement, and no delay on its part in exercising any such rights or remedies, should be constructed as a waiver of those rights or remedies.

ARTICLE 4 OBLIGATIONS OF THE OBLIGORS DURING THE FORBEARANCE PERIOD

4.1 Covenants

During the Forbearance Period, the Obligors, or any one of them, consent, agree and acknowledge as follows:

- (a) The Lender shall not be obligated to make any new loans or advances to the Obligors.
- (b) The Lender shall not be obligated to permit the Borrower to draw on the Undrawn Facility until the terms and conditions set out in subsection 3.2(d) to (g) of this Agreement have been satisfied.
- (c) The Undrawn Facility shall be applied directly to the payment or settlement of the Builder's Liens in accordance with the terms and conditions set out in subsections 3.2(d) to (g) of this Agreement;
- (d) All payments under section 3.2 of this Agreement shall be paid when due.
- (e) The Borrower shall not create or permit to subsist any charges, liens or encumbrances against the Property (the "**Non-Permitted Encumbrances**") other than the Encumbrances set forth in Schedule "A" hereto unless otherwise agreed to in writing by the Lender. In the event that any Non-Permitted Encumbrances are registered against the Property:
 - (i) such Non-Permitted Encumbrances shall not be paid or otherwise satisfied (whether in full or in part) using funds drawn from the Facility or from the working capital or any other assets of the Business, unless otherwise agreed to in writing by the Lender; and
 - (ii) the Obligors shall forthwith:
 - (A) pay, settle or otherwise satisfy the Non-Permitted Encumbrance(s) subject to the restrictions in section 4.1(e)(i) above; and
 - (B) ensure that the Non-Permitted Encumbrance(s) are discharged from title to the Property.

- (f) Other than the Existing Defaults, including the continuance of the Existing Defaults, there shall be no breaches, defaults or events of default with respect to the Facility or under the Loan Documents.
- (g) Effective September 1, 2018 until the expiry of the Forbearance Period, the Borrower shall only hold deposit accounts and bank through the Lender.
- (h) On or before January 1, 2019, all ten (10) beds operated by the Business shall be fully occupied.
- (i) Promptly after the occurrence thereof, the Obligors shall deliver notice to the Lender of the occurrence of any Terminating Event (as defined in section 6.1 of this Agreement).

4.2 Additional Covenants

All of the covenants in this Agreement are in addition to and not in substitution for the covenants of the Obligors in the Loan Documents.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND COVENANTS

Each of the Obligors represents, warrants and covenants with and to the Lender as follows:

5.1 Representations in Loan Documents

Each of the representations and warranties made by or on behalf of the Obligors to the Lender in any of the Loan Documents was true and correct when made and in all material respects is, except for any representation and warranty set out in any of the Loan Documents relating to the non-existence of an event of default, true and correct on the date of this Agreement, with the same full force and effect as if each of those representations and warranties had been made by the applicable Obligors on the date of, and within, this Agreement.

5.2 Full Effect of Documents

This Agreement and the other Loan Documents are in full force and effect, except as modified by this Agreement.

5.3 No Conflict

The execution and delivery and performance of this Agreement by each Obligor will not violate any requirement of applicable law or any contractual obligation of each Obligor, and will not result in, or require, the creation or imposition of any lien on any of its properties or revenues.

5.4 The Lender May Pursue Remedies

Nothing in this Agreement will prejudice the Lender's rights to pursue any of its remedies including, without limitation, enforcing its rights under any of the Loan Documents:

- (a) prior to acceptance of this Agreement by the Obligors; or
- (b) upon the expiry or earlier termination of the Forbearance Period.

ARTICLE 6 TERMINATION OF FORBEARANCE

6.1 Terminating Event

Other than as may be consented to in writing by the Lender, the occurrence of any of the following events will constitute a "**Terminating Event**" under this Agreement and an event of default under the Credit Agreement and the other Loan Documents:

- (a) any default or breach by the Obligors (or any one of them) of any representation, warranty, covenant, term, condition or other provision of this Agreement;
- (b) any default or breach of by the Obligors (or any one of them) of any representation, warranty, covenant, term, condition or other provision of the Loan Documents, in addition to those Existing Defaults specified in the recitals to this Agreement;
- (c) if the Borrower fails to make any payment when due to the Lender (whether under this Agreement or otherwise);
- (d) any failure to comply with the terms and conditions of forbearance set out in section 3.2;
- (e) any action or proceeding is commenced or taken or notice delivered by an encumbrance or person to take possession of or enforce any interest or remedy or levy distress against any of the undertaking properties or assets of the Obligors or any one of them;
- (f) any judgment, execution or other process shall become enforceable against the Obligors or any one of them or any of their respective undertaking, property or assets;
- (g) any other creditor of any one or more of the Borrower or Grantors exercises or purports to exercise any rights against any of the property, assets or undertakings of any one or more of the Borrower or the Guarantors or if any one or more of the Borrower or Guarantors or any creditor brings any proceeding or takes any other action under the BIA, the *Companies' Creditors Arrangement Act* (Canada), the *Business Corporations Act of Alberta or Canada*, the *Winding-Up Act* (Canada) or any similar legislation with respect to any of those parties;
- (h) the Obligors or any one of them ceases or threatens to cease to carry on their respective business; or
- (i) there has been, in the sole opinion of the Lender, a material adverse change in the affairs of any one or more of the Borrower or the Guarantors or the assets subject to the Lender's security after the date hereof, in addition to those defaults specified in the recitals to this Agreement.

6.2 Effect of Termination

- (a) Upon the earlier of:
 - (i) the expiry of the Forbearance Period, or
 - (ii) the occurrence of a Forbearance Terminating Event,

the Lender may enforce, without further notice or delay, all of its rights and remedies against the Borrower and Guarantors including the issuance of a demand for payment and Notice of Intention to Enforce Security pursuant to section 244 of the BIA or any other enforcement of the security held by the Lender. The Borrower and Guarantors hereby consent to the appointment of a receiver should the Lender request the appointment of a receiver.

- 6.3 The Lender may, at its option and its sole discretion, waive any default hereunder but such waiver shall not constitute a waiver of any subsequent event which would constitute default herein.

ARTICLE 7 GENERAL

7.1 Conditions to Effectiveness of Certain Provisions

The effectiveness of the terms and provisions of this Agreement will be subject to the receipt by the Lender, in form and substance satisfactory to the Lender, an original of this Agreement, duly authorized, executed and delivered by the Obligors.

7.2 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Loan Documents are intended or implied, and in all other respects the Loan Documents are specifically ratified, restated and confirmed by all Parties as of the effective date of this Agreement. To the extent of conflict between the terms of this Agreement, the Credit Agreements and the other Loan Documents, the terms of this Agreement will govern.

7.3 Costs and Expenses

The Borrower hereby absolutely and unconditionally agrees to pay to and fully indemnify the Lender, on demand by the Lender at any time and as often as may be required, whether or not all or any of the transactions contemplated by this Agreement are consummated, all fees and disbursements of any counsel to the Lender, any other consultant or agent and all other expenses incurred by the Lender in connection with this Agreement, the Facility or the Loan Documents, including (a) legal expenses in connection with the preparation, negotiation and interpretation of this Agreement, the other agreements or documents contemplated by this Agreement, the Loan Documents and the Security and the administration of the Facility generally; (b) all expenses of advisors and consultants to the Lender (including legal expenses on a full indemnity basis) incurred in connection with the protection and enforcement of this Agreement, or the Security or in connection with any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution, reorganization, liquidation, moratorium, arrangement or assignment for the benefit of creditors involving the Obligors or any one of them. The Borrower specifically authorizes the Lender to debit from any of the Borrower's accounts with the Lender the amount of any such existing and future fees and disbursements, and other expenses. The Borrower specifically waives all rights it may have to assess any of the legal, agents or other fees previously paid or payable by the Lender to its solicitors or payable to its solicitors, agents or others in connection with or in any way related to the Borrower up to the date of this Agreement.

7.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document delivered in connection with this Agreement will survive the execution and delivery of this Agreement and

the other documents in accordance with the provisions of the *Limitation Act* (Alberta) and no investigation by the Lender or any closing will affect the representations and warranties or the right of the Lender to rely upon them.

7.5 Release

- (a) In consideration of this Agreement and for other good and valuable consideration, each Obligor, on their own behalf and on behalf of their respective successors, assigns, and other legal representatives, absolutely, unconditionally and irrevocably releases the Lender, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, legal counsel, consultants, employees, agents and other representatives, and their successors and assigns (all of which are referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities (individually, a "**Claim**" and collectively, "**Claims**") known or unknown, both at law such Obligor or any of their respective successors, assigns, or other legal representatives may now or later have or claim against any of the Releasees by reason of any circumstance, action, cause or thing which arises at any time on or prior to the date of this Agreement, including for or on account of, or in relation to, or in any way in connection with, any of the Loan Documents or transactions under or related to the Loan Documents;
- (b) Each Obligor understands, acknowledges and agrees that the release set out in section 7.5(a) of this Agreement may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release; and
- (c) each Obligor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of the release set out in section 7.5(a) of this Agreement.

7.6 Review by Legal Counsel

Each Obligor represents and warrants to the Lender that it:

- (a) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- (b) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligor may wish; and
- (c) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person. The parties hereto acknowledge and agree that neither this Agreement nor the other documents executed pursuant hereto will be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto

contributed substantially to the negotiation and preparation of this Agreement and the other documents executed pursuant hereto or in connection herewith.

7.7 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

7.8 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and adorns to the non-exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity arising from this Agreement.

7.9 Tim of Essence

Time is of the essence in all respects of this Agreement.

7.10 Notices

Any Communication must be in writing and either personally delivered; sent by prepaid registered mail; sent by facsimile; sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Borrower at:

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9
Attention: Maxwell & Carol Uwaga
E-mail: usl@shaw.ca

to the Guarantors at:

Maxwell & Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9
E-mail: usl@shaw.ca

to the Lender at:

Bank of Montreal
6th Floor, 350 – 7th Avenue SW
Calgary, Alberta, T2P 3N9
Attention: Trevor Bauer
E-mail: Trevor.Bauer@bmo.com

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Attention: Jeffrey Oliver

E-mail: joliver@casselsbrock.com

or at such other address as any Party may from time to time advise the other by Communication given in accordance with this section 7.10. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 4 p.m. (local time of the recipient), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the 5th Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by facsimile or functionally equivalent electronic transmission.

7.11 Further Assurances

Each Obligor will, at its own cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the Lender to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide such assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

7.12 Amendment or Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

7.13 Assignment and Enurement

Neither the Borrower nor the Guarantors will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Lender. The Lender may assign this Agreement and any of its rights and obligations under this Agreement without the consent of or notice to the Borrower or the Guarantors. This Agreement enures to the benefit of and is binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

7.14 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

7.15 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

7.16 Facsimile Signatures

Delivery of this Agreement by facsimile transmission constitutes valid and effective delivery.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement as of the date noted above.


THE BANK OF MONTREAL


By: 
Name: TREVOR BAUER
Title: ACCOUNT MANAGER, SPECIAL ACCOUNTS
BANK OF MONTREAL


By: _____
Name: _____
Title: _____

UWAMS SUPPORTIVE LIVING LTD.

By: 
Name: Maxwell Uwaga
Title: Director

By: 
Name: Carol Uwaga
Title: Director


Witness
Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta


Witness
Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta


MAXWELL UWAGA


CAROL UWAGA

AFFIDAVIT VERIFYING
SIGNING AUTHORITY

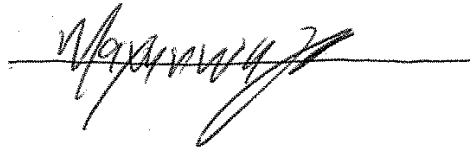
I, Maxwell Uwaga of the City of Calgary, in the Province of Alberta, make oath and say:

1. I am a director of UWAMS Supportive Living Ltd. named in the within agreement.
2. I am authorized by UWAMS Supportive Living Ltd. to execute the within document.

SWORN BEFORE ME at the City of
Calgary, in the Province of
Alberta, this 30 day of August,
2018


A Commissioner for Oaths in and for the
Province of Alberta

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



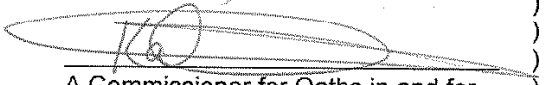
AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

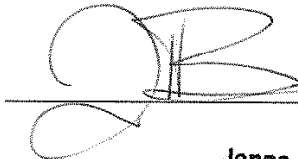
) I, Jenna Bever, of the
)
) City of Calgary, in the Province of
) Alberta, MAKE OATH AND SAY AS
FOLLOWS:

1. That I was personally present and did see Maxwell Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Maxwell Uwaga and he is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
30 day of August, 2018.


A Commissioner for Oaths in and for
the Province of Alberta

KATE L. ANDREWS
Barrister and Solicitor



Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta


AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

) I, Jenna Bever, of the
)
) City of Calgary, in the Province of
) Alberta, MAKE OATH AND SAY AS
FOLLOWS:

1. That I was personally present and did see Carol Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Carol Uwaga and she is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
30 day of August, 2018.


A Commissioner for Oaths in and for
the Province of Alberta

KATE L. ANDREWS
Barrister and Solicitor



Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Maxwell Uwaga, the guarantor in the guarantee dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 Jenna Bever, Lawyer at the City of Calgary at Alberta
this 30 day of August, 2018.

Signature

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

STATEMENT OF GUARANTOR

I am the person named in this certificate.

MAXWELL UWAGA

GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Carol Uwaga, the guarantor in the guarantees dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 Jenna Bever, Lawyer at the City of Calgary, at Alberta
this 30 day of August, 2018.

Signature

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

STATEMENT OF GUARANTOR

I am the person named in this certificate.

C. Uwaga
CAROL UWAGA

SCHEDULE "A"
BUILDER'S LIENS

	Registration Number	Date	Particulars
1.	151 246 595	23/09/2015	MORTGAGE MORTGAGEE – BANK OF MONTREAL ORIGINAL PRINCIPAL AMOUNT: \$620,000
2.	171 209 843	19/09/2017	AMENDING AGREEMENT AMOUNT: \$1,200,000
3.	181 101 607	17/05/2018	BUILDER'S LIEN LIENOR - BOW ARBOUR ELECTRICAL & FIRE ALARMS LTD. AMOUNT: \$16,454
4.	181 101 610	17/05/2018	BUILDER'S LIEN LIENOR - R. BRAUN CONTRACTING LTD. AMOUNT: \$7,017
5.	181 145 991	10/07/2018	BUILDER'S LIEN LIENOR - TURNKEY CONTRACTING INC. AMOUNT: \$62,500

- 22 -

SCHEDULE "B"
PROMISSORY NOTE

Date _____ \$ _____

Branch _____

On demand I promise to pay to the order of Bank of Montreal
the sum of _____ /100 Dollars
and to pay interest _____ at a rate of _____ per cent per annum above the Bank
(insert: monthly, quarterly, semi annually or annually, as appropriate)
of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of
such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate
per annum is _____ per cent. Value received.

Insert Company Name

FOR INTERNAL BANK USE ONLY

Credit Deposit Account No.	Loan Account No.	Initials
----------------------------	------------------	----------

Insert Name and Title

Prod. 1057738 - Form. 808 (02/05) 30/08/2018 2:02 pm

Insert Name and Title

This is Exhibit "O"
referred to in the Affidavit of
TREVOR BAUER

sworn before me this 17 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

**AMENDING AGREEMENT TO THE
RESTATED CREDIT AND
FORBEARANCE AGREEMENT**

THIS AGREEMENT is dated November 8, 2018 (the "**Effective Date**")

BETWEEN:

UWAMS SUPPORTIVE LIVING LTD.,
a body corporate having a registered
office in Calgary, Alberta

(the "**Borrower**")

- and -

MAXWELL UWAGA,
an individual residing in Calgary, Alberta

- and -

CAROL UWAGA,
an individual residing in Calgary, Alberta

(collectively, Maxwell Uwaga and Carol Uwaga
are referred to as the "**Guarantors**" and
collectively the Borrower and the Guarantors
are referred to as the "**Obligors**")

THE BANK OF MONTREAL,
a Chartered Bank having offices in Calgary, Alberta

(the "**Lender**")

CONTEXT:

- A. The Lender has extended a demand loan, non-revolving facility (as amended, the "**Facility**") to the Borrower pursuant to a commitment letter dated August 6, 2015 and accepted on August 8, 2015 and amended by a commitment letter dated July 31, 2017 and accepted on August 30, 2017 (collectively as further amended, the "**Credit Agreement**").
- B. The Borrower's indebtedness under the Facility is secured, *inter alia*, by certain security (the "**Security**", collectively with the Credit Agreement, the "**Loan Documents**"), details of which include a general security agreement, a joint and several personal guarantee of the Guarantors and a mortgage registered against Plan 577JK, Block 45, Lot 24 (the "**Property**");
- C. The Borrower operates a supportive living business (the "**Business**") on the Property. The Borrower has obtained an occupancy certificate for the Business and as at the Effective Date three (3) of the ten (10) beds operated by the Business have been occupied;
- D. Pursuant to a Restated Commitment Letter and Forbearance Amending Agreement dated October 1, 2017 (the "**First Forbearance Agreement**"), the Lender agreed to

forbear from enforcing its rights and remedies against the Obligors under and pursuant to the Loan Documents until the close of business on April 30, 2018 on the terms and conditions set out in the First Forbearance Agreement;

- E. On May 11, 2018, following the expiry of the Original Forbearance Agreement, the Lender issued a demand letter and notice of intention to enforce security under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") against the Borrower as well as a demand letter against the Guarantors;
- F. As at August 24, 2018, the Borrower remained in default under the Loan Documents, which defaults constitute one or more events of default under the Loan Documents (the "**Existing Defaults**");
- G. Pursuant to a Restated Commitment Letter and Forbearance Agreement dated August 24, 2018 (the "**Second Forbearance Agreement**"), the Lender agreed to forbear from enforcing its rights and remedies against the Obligors under and pursuant to the Loan Documents until the earlier of April 30, 2019 or the occurrence of a Terminating Event as set out in the Second Forbearance Agreement;
- H. As of the date of this Agreement, the Obligors (or any one of them) have committed additional events of default under the Second Forbearance Agreement by (among other things) failing to effect the Lien Settlement on or before October 31, 2018 (the "**Additional Defaults**");
- I. Each of the Obligors have requested that the Lender forbear from enforcing its rights under the Loan Documents the Second Forbearance Agreement on the conditions set out herein.

In consideration of the Lender's forbearance as described herein and the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the Obligors, each of the Obligors hereby agrees with the Lender as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise defined in this Agreement, capitalized terms have the meanings given to them in or contemplated by the Second Forbearance Agreement .

1.2 Entire Agreement

This Agreement, together with the Loan Documents and the Second Forbearance Agreement, and the agreements and other documents to be delivered under this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Loan Documents, Second Forbearance Agreement or the other agreements and documents delivered under this Agreement.

ARTICLE 2 ACKNOWLEDGMENTS

2.1 Acknowledgement of Obligations

By accepting the terms and conditions of this Agreement, the Obligors each hereby confirm, acknowledge, agree, represent and warrant to the Lender that:

- (a) As at November 7, 2018, the Borrower is indebted to the Lender under the Facility in the amount of \$952,625.53 (inclusive of principal and accrued interest but excluding fees and costs), together with all future draws, interest, fees and costs as well as fees and costs not previously included in the indebtedness (collectively, the "**Indebtedness**") free of any right of defence, counterclaim, set-off, offset or combination of accounts of any kind whatsoever.
- (b) The statements contained in the Recitals of this Agreement are true, accurate and complete in every material detail.
- (c) As of the date of this Agreement, the Existing Defaults and the Additional Defaults have occurred, the Lender has not waived any of the Existing Defaults or the Additional Defaults, all of which are subsisting, and the Lender is entitled to exercise its enforcement rights.
- (d) The Loan Documents and the Second Forbearance Agreement are each legal, valid, binding, subsisting and enforceable obligations of the Obligors who are parties thereto in accordance with their respective terms.
- (e) The Lender has and will continue to have valid, enforceable and perfected liens, mortgages, charges and security interests upon and security interests in the collateral and property granted to the Lender under the Loan Documents, Second Forbearance Agreement or otherwise granted or held by the Lender.
- (f) Each of the Loan Documents, Second Forbearance Agreement and this Agreement and the other instruments and documents contemplated hereby have been duly executed and delivered and constitutes a legal, valid and binding obligation of such party enforceable in accordance with its terms, subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditor's enforcement rights generally and the exercise of judicial discretion in accordance with general principles of equity.
- (g) As of November 8, 2018, the encumbrances listed in Schedule "A" hereto (collectively, the "**Encumbrances**") are registered in the Alberta Land Titles Registry against the Property. Those encumbrances listed on Schedule "A" as items 3 through 4 are collectively referred to as the "**Builders' Liens**".

2.2 Acknowledgment of Guarantors

The Guarantors acknowledge that:

- (a) They do not dispute the Borrower's liability for the Indebtedness and all other monies from time to time payable under the Loan Documents on any grounds whatsoever.

- (b) They do not dispute their liability to pay the sums demanded of them under their Guarantee on any ground whatsoever and acknowledge that they do not have any claim for set-off, counter-claim or damages on any basis whatsoever against the Lender and if there are any such claims that they expressly waive and release them.
- (c) Their Guarantee has not been release, waived or varied, and each of the Loan Documents to which they are a party the Second Forbearance Agreement and this Agreement constitute legal, valid and binding obligations of such Guarantors, enforceable against them.
- (d) They consent to the Borrower entering into this Agreement and acknowledge and confirm all representations and warranties, confirmations, obligations and covenants of the Borrower set out in this Agreement.
- (e) To the extent that it is applicable or advisable, they have obtained independent legal advice.

ARTICLE 3 AMENDMENTS TO SECOND FORBEARANCE AGREEMENT

3.1 Forbearance

- (a) Subsection 3.2(a) of the Second Forbearance Agreement is hereby deleted and is replaced with the following:

3.2(a) Amendment to Facility. As at the Effective Date the total amount of the Facility under the Credit Agreement shall be amended from \$907,500 to \$960,000 (in total, less current draws). Except as otherwise provided herein, the Borrower shall not be entitled to make any additional draws on the Facility. Any additional draws under the Facility shall be advanced by the Lender to counsel to the Borrower (on behalf of the Borrower) in accordance with subsections 3.2(e) though (g) of this Agreement.

- (b) Subsections 3.2(d) to (h) of the Second Forbearance Agreement are hereby deleted and are replaced with the following:

3.2(d) Lien Order. On or before November 21, 2018, the Borrower shall have obtained an order (the "**Lien Order**") ordering (among other things):

- (i) the Borrower shall be at liberty to deposit with the Clerk of the Court cash security (the "**Lien Security**") in the amount of the face value of the Builders' Liens or such lesser amount as the Court deems just;
- (ii) the Lien Security be deposited with the Clerk of the Court and shall stand in place of the lands legally described as:

LEGAL DESCRIPTION
PLAN 577JK
BLOCK 45
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS

- (iii) the Lien Security shall stand as security for the Builders' Liens registered against the Property and any Certificate of Lis Pendens, which may have been registered by the holders of the Builders' Liens (the "**Lienors**") against the Property; and
- (iv) upon receipt of a certified copy of the Lien Order, along with the a Form 50 (Money Paid Into Court), the registrar of land titles shall forthwith remove the registration of the Builders' Liens and any applicable Certificate of Lis Pendens from the certificate of title for the Property without the requirement or necessity of obtaining a certificate of no appeal from the Clerk of the Court.

The Lien Order shall be in a form satisfactory to the Lender and shall ensure that the Builders' Liens are discharged from title to the Property substantially in accordance with the conditions set out in this subsection 3.2(d).

3.2 (e) Advance of Additional Draw. Upon the satisfaction of the conditions precedent set forth in subsection 3.2(f) of this Agreement, the Lender shall advance to counsel to the Borrower (on behalf of the Borrower) the lesser of funds in the amount of:

- (i) \$60,600; or
- (ii) the Lien Security,

from the undrawn portion of the Facility (the "**Additional Draw**"). The Additional Draw shall forthwith be paid by counsel to the Borrower (on behalf of the Borrower) to the Clerk of the Court in accordance with the Lien Order.

3.2(f) Conditions Precedent to the Additional Draw. The advance of the Additional Draw by the Lender to counsel to the Borrower (on behalf of the Borrower) and the effectiveness of subsection 3.2(e) of this Agreement, shall be conditional upon:

- (i) the granting of the Lien Order in a form satisfactory to the Lender;
- (ii) the Lender being satisfied that there have been no Terminating Events under this Agreement, including but not limited to no Non-Permitted Encumbrances (as defined below) shall have been registered against the Property;
- (iii) in the event that the amount of the Lien Security exceeds \$60,600 (such difference being the "**Lien Security Deficiency**"), the Lender being satisfied, in its absolute and sole discretion, that the Borrower or its counsel have paid or will pay funds in the amount of the Lien Security Deficiency (the "**Additional Settlement Funds**") to the Clerk of the Court in accordance with the terms of the Lien Order; and
- (iv) counsel to the Borrower providing an undertaking to counsel to the Lender that upon receipt of the Additional Draw, counsel to the Borrower shall forthwith pay the Additional Draw (on behalf of the Borrower) to the Clerk of the Court in accordance with the Lien Order.

3.2(g) Lien Security Deficiency. The Obligors and any one of them covenant and agree that in no event shall the Additional Settlement Funds be paid from the working capital or any other assets of the Business.

3.2(h) Companion Order. In the event that any Certificates of Lis Pendens or further liens are registered against title to the Property, the Obligors or their counsel shall forthwith seek a companion order to the Lien Order removing such Certificates of Lis Pendens or further liens from title to the Property (the "**Companion Order**"). The terms of the Companion Order shall be substantially similar to those of the Lien Order. In the event that additional security must be posted as part of a Companion Order, the Obligors or any one of them shall pay such additional security, provided however that such additional security shall not be paid from the working capital or any other assets of the Business.

- (c) Subsections 4.1(b) to (c) of the Second Forbearance Agreement are hereby deleted and are replaced with the following:

4.1(b) The Lender shall not be obligated to advance the Additional Draw to counsel to the Borrower (on behalf of the Borrower) until the terms and conditions set out in subsection 3.2(d) and (f) of this Agreement have been satisfied.

4.1(c) The Additional Draw shall be applied directly to the payment of the Lien Security in accordance with the Lien Order in accordance with the terms and conditions set out in subsections 3.2(e) of this Agreement.

3.1 No Other Waivers; Reservation of Rights

The Lender has not waived, and is not by this Agreement or the implementation of this Agreement waiving, any Additional Defaults or Existing Defaults (whether the same or similar to the Additional Defaults or Existing Defaults or otherwise), and the Lender has not agreed to forbear with respect to any of its rights or remedies concerning any Existing Defaults (other than, during the Term, the Additional Defaults or Existing Defaults to the extent expressly set out in the Forbearance Agreement), which may have occurred or are continuing as of the date of this Agreement or which may occur after the date of this Agreement. The Lender has not waived any of such rights or remedies, and nothing in this Agreement, and no delay on its part in exercising any such rights or remedies, should be construed as a waiver of those rights or remedies.

ARTICLE 4 GENERAL

4.1 Conditions to Effectiveness of Certain Provisions

The effectiveness of the terms and provisions of this Agreement will be subject to the receipt by the Lender, in form and substance satisfactory to the Lender, a fully executed copy of this Agreement, duly authorized, executed and delivered by the Obligors.

4.2 Effect of this Agreement

Except as modified by this Agreement, no other changes or modifications to the Second Forbearance Agreement and Loan Documents are intended or implied, and in all other respects the Second Forbearance Agreement and Loan Documents are specifically ratified, restated and confirmed by all Parties as of the effective date of this Agreement. To the extent of conflict

between the terms of this Agreement, Second Forbearance Agreement, and the other Loan Documents, the terms of this Agreement will govern.

4.3 Review by Legal Counsel

Each Obligor represents and warrants to the Lender that it:

- (a) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement;
- (b) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and any documents executed in connection herewith with, such lawyers and other persons as such Obligor may wish; and
- (c) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person. The parties hereto acknowledge and agree that neither this Agreement nor the other documents executed pursuant hereto will be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents executed pursuant hereto or in connection herewith.

4.4 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

4.5 Submission to Jurisdiction

Without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and adorns to the non-exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity arising from this Agreement.

4.6 Tim of Essence

Time is of the essence in all respects of this Agreement.

4.7 Notices

Any Communication must be in writing and either personally delivered; sent by prepaid registered mail; sent by facsimile; sent by email or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Borrower at:

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9
Attention: Maxwell & Carol Uwaga
E-mail: usl@shaw.ca

to the Guarantors at:

Maxwell & Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9
E-mail: usl@shaw.ca

to the Lender at:

Bank of Montreal
6th Floor, 350 – 7th Avenue SW
Calgary, Alberta, T2P 3N9
Attention: Trevor Bauer
E-mail: Trevor.Bauer@bmo.com

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Attention: Jeffrey Oliver
E-mail: joliver@casselsbrock.com

or at such other address as any Party may from time to time advise the other by Communication given in accordance with this section 7.10. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given and received on the next Business Day. Any Communication transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Communication is transmitted on a day which is not a Business Day or after 4 p.m. (local time of the recipient), the Communication will be deemed to have been received on the next Business Day). Any Communication given by registered mail will be deemed to have been received on the 5th Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be effected by personal delivery or by facsimile or functionally equivalent electronic transmission.

4.8 Further Assurances

Each Obligor will, at its own cost, execute and deliver all further agreements and documents and provide all further assurances as may be reasonably required by the Lender to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide such assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies.

4.9 Amendment or Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

4.10 Assignment and Enurement

Neither the Borrower nor the Guarantors will be entitled to assign this Agreement or any right or obligation under this Agreement without the prior consent of the Lender. The Lender may assign this Agreement and any of its rights and obligations under this Agreement without the consent of or notice to the Borrower or the Guarantors. This Agreement enures to the benefit of and is binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

4.11 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

4.12 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original and such counterparts will together constitute one and the same instrument.

4.13 Facsimile Signatures

Delivery of this Agreement by facsimile transmission or electronic mail constitutes valid and effective delivery.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement as of the date noted above.

THE BANK OF MONTREAL

By: _____

Name: Trevor Bauer
Title: Senior Account Manager

UWAMS SUPPORTIVE LIVING LTD.

By: _____

Name: Max Uwaga
Title: Director

Witness _____

MAXWELL UWAGA

Witness _____

CAROL UWAGA

AFFIDAVIT VERIFYING
SIGNING AUTHORITY

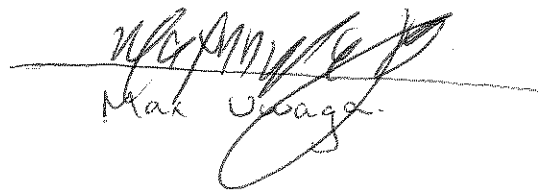
I, Max Uwaga of the City of Calgary, in the Province of Alberta, make oath and say:

1. I am a director of UWAMS Supportive Living Ltd. named in the within agreement.
2. I am authorized by UWAMS Supportive Living Ltd. to execute the within document.

SWORN BEFORE ME at the City of
Calgary, in the Province of
Alberta, this 23 day of November,
2018

A Commissioner for Oaths in and for the
Province of Alberta

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta


Max Uwaga

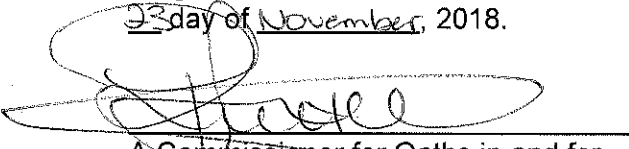
AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

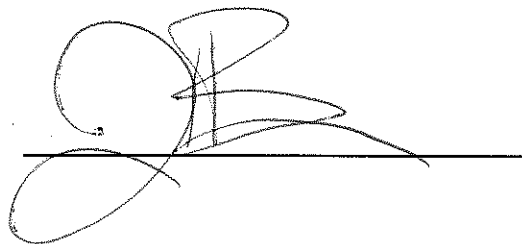
) I, Jenna Bever, of the
) City of Calgary, in the Province of Alberta,
)
MAKE OATH AND SAY AS FOLLOWS:

1. That I was personally present and did see Maxwell Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Maxwell Uwaga and he is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
23 day of November, 2018.


A Commissioner for Oaths in and for
the Province of Alberta

Ruth Landsaverde
Commissioner for Oaths
In and for the Province of Alberta
My Commission Expires Aug. 30, 2021



Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

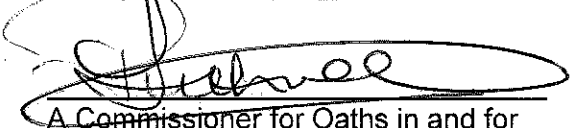
AFFIDAVIT OF EXECUTION

CANADA
Province of Alberta
TO WIT:

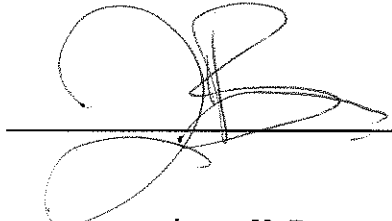
) I, Jenna Bever, of the
)
) City of Calgary, in the Province of Alberta,
)
MAKE OATH AND SAY AS FOLLOWS:

1. That I was personally present and did see Carol Uwaga, named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
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 know the said Carol Uwaga and she is in my belief the full age of eighteen years.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta, this
23 day of November, 2018.


A Commissioner for Oaths in and for
the Province of Alberta

Ruth Landaverde
Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires Aug. 30, 2021



Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

GUARANTEES ACKNOWLEDGMENT ACT

(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Maxwell Uwaga, the guarantor in the guarantee dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 Jenna Bever, Lawyer at the City of Calgary, at Alberta
this 23 day of November, 2018.

Signature

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Maxwell Uwaga
MAXWELL UWAGA

GUARANTEES ACKNOWLEDGMENT ACT

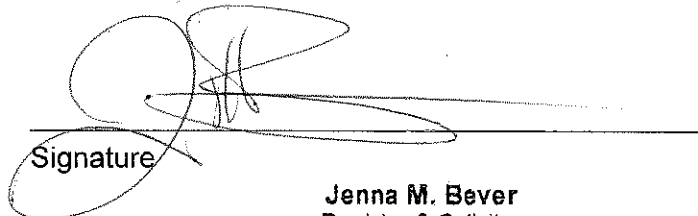
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Carol Uwaga, the guarantor in the guarantees dated August 25, 2015 made among Maxwell Uwaga, Carol Uwaga and the Bank, 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 Jenna Bever, Lawyer at the City of Calgary at Alberta
this 23 day of November, 2018.


Signature

Jenna M. Bever
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta

STATEMENT OF GUARANTOR

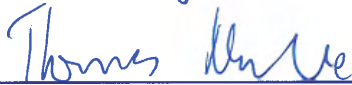
I am the person named in this certificate.


CAROL UWAGA

SCHEDULE "A"
ENCUMBRANCES

	Registration Number	Date	Particulars
1.	151 246 595	23/09/2015	MORTGAGE MORTGAGEE – BANK OF MONTREAL ORIGINAL PRINCIPAL AMOUNT: \$620,000
2.	171 209 843	19/09/2017	AMENDING AGREEMENT AMOUNT: \$1,200,000
3.	181 101 607	17/05/2018	BUILDER'S LIEN LIENOR - BOW ARBOUR ELECTRICAL & FIRE ALARMS LTD. AMOUNT: \$16,454
4.	181 145 991	10/07/2018	BUILDER'S LIEN LIENOR - TURNKEY CONTRACTING INC. AMOUNT: \$62,500

This is Exhibit "P"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 17 day of
August, 2019


A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



January 31, 2019

By Courier & Email: usi@shaw.ca

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

joliver@casselsbrock.com

tel: 403.351.2921.

fax: 403.444.6758

file # 33336-389

Attention: Max and Carol Uwaga

Max and Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

Dear Sir/Madam:

Re: Credit facilities made available by the Bank of Montreal (the "Lender") to UWAMS Supportive Living Ltd. (the "Borrower") and guaranteed by Max and Carol Uwaga (collectively, the "Guarantors")

We are counsel to the Lender. We refer you to, *inter alia*:

- (a) a commitment letter dated August 6, 2015 and amended on July 31, 2017 between the Borrower and the Lender;
- (b) a mortgage between the Borrower and the Lender dated August 26, 2015 and amended on September 1, 2017;
- (c) two general security agreements between the Borrower and the Lender dated August 26, 2015 and September 1, 2017;
- (d) a guarantee in the limited amount of \$620,000 between the Borrower and the Guarantors dated August 25, 2015; and
- (e) a guarantee in the limited amount of \$1,200,000 between the Borrower and the Guarantors dated September 1, 2017,

(collectively (b) through (e) are referred to as the "**Security**")

- (f) a Restated Commitment Letter and Forbearance Agreement dated October 1, 2017 between the Lender, the Borrower and the Guarantors;
- (g) a Restated Commitment Letter and Forbearance Agreement dated August 24, 2018 between the Lender, the Borrower and the Guarantors; and
- (h) an Amending Agreement to the Restated Credit and Forbearance Agreement dated November 8, 2018 between the Lender, the Borrower and the Guarantors,



(collectively (g) and (h) are referred to as the "**Forbearance Agreement**" and (a) through (h) are referred to as the "**Loan Documents**").

Unless otherwise defined in this letter, all capitalized terms will have the meaning ascribed to them in the Forbearance Agreement.

Pursuant to the terms of the Forbearance Agreement, the Borrower is required to (among other things):

- (a) provide the Lender with a business plan detailing the Borrower's intended plan to ensure all ten beds of the Business are occupied on or before January 1, 2019 (section 3.2(l) of the Forbearance Agreement);
- (b) provide the Lender with proof that all ten beds of the Business are occupied on or before January 1, 2019 (section 3.2(m) of the Forbearance Agreement);
- (c) make monthly interest payments at the Interest Rate commencing on the Effective Date (section 3.2(k) of the Forbearance Agreement); and
- (d) close all Non-Lender Accounts on or before August 31, 2018 and provide the Lender with proof that the Non-Lender Accounts have been closed (section 3.2(i) of the Forbearance Agreement).

The above noted requirements under the Forbearance Agreement have not been met and, as such, an event of default has occurred and is continuing (the "**Additional Default**").

This letter constitutes notice of the occurrence of the Additional Default. Notwithstanding the notice provided herein, the Lender hereby expressly reserves the right to exercise any and all of its rights and remedies under the Loan Documents (including without limitation any Security) and applicable law in respect of the Additional Default or any other default or event of default. Further, the Lender hereby reserves the right to preserve and protect its interest in the property subject to the Security and to take any action that the Lender deems appropriate if circumstances indicate to the Lender that its Security is in jeopardy.

Yours truly,

Cassels Brock & Blackwell LLP


for: Jeffrey Oliver
Partner

JO/dm

This is Exhibit "Q"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



July 3, 2019

By Courier & Email: usi@shaw.ca

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

joliver@casselsbrock.com
tel: 403.351.2921.
fax: 403.444.6758
file # 33336-389

Attention: Max and Carol Uwaga

Max and Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

Dear Sir/Madam:

Re: Credit facilities made available by the Bank of Montreal (the "Lender") to UWAMS Supportive Living Ltd. (the "Borrower" or "you") and guaranteed by Max and Carol Uwaga (collectively, the "Guarantors" and collectively, the Borrower and the Guarantors are referred to as the "Obligors")

We are counsel to the Lender. We refer you to the documents described in Schedule "A" attached hereto (collectively, the "**Loan Documents**"). Unless otherwise defined in this letter, all capitalized terms will have the meaning ascribed to them in the Restated Commitment Letter and Forbearance Amending Agreement dated August 24, 2018 as amended by the Amending Agreement to the Restated Credit and Forbearance Agreement dated November 8, 2018 (collectively the "**Forbearance Agreement**").

We are writing further to your meeting with the Lender on May 1, 2019 during which we understand that you:

- (a) advised the Lender that you would have additional occupants in the Property by the end of May 2019; and
- (b) requested that the Lender continue to work with you until July 31, 2019, notwithstanding the occurrence of additional defaults under the Loan Documents as described in more detail below.

We also understand that a representative of the Lender followed up with you on June 4 and 14, 2019 via email and telephone but that no response was received from you.

As you are aware, the Obligors have committed certain additional Events of Default and/or Terminating Events under the Loan Documents, which are continuing as of the dated hereof and include, without limitation:

- (a) a default or breach by the Obligors of any representation, warranty, covenant, term, condition or other provision of the Forbearance Agreement;
- (b) a failure by the Borrower to make any payment when due to the Lender, whether under the Forbearance Agreement or otherwise;
- (c) a failure to comply with the terms and conditions as set out in the Loan Documents as a result of, among other things, a failure of the Borrower to:
 - (i) provide the Lender with proof that the Non-Lender Accounts have been closed in accordance with section 3.2(i) of the Forbearance Agreement;
 - (ii) make payments towards the Facility in accordance with section 3.2(k) of the Forbearance Agreement;
 - (iii) on or before January 1, 2019, provide the Lender with proof that all ten beds of the Business are fully occupied in accordance with section 3.2(m) of the Forbearance Agreement; and
 - (iv) pay all taxes as they become due in accordance with Article D – 3 of the Lender's Standard Form Mortgage;

(collectively, all such existing Terminating Events being the "**Defaults**").

Upon a Terminating Event, the Lender may enforce, without further notice or delay, all of its rights and remedies against the Obligors (or any one of them) including but not limited to the issuance of a demand for payment, the enforcement of the security held by the lender and/or the appointment of a receiver over the assets, undertakings and properties of the Obligors or any one of them.

We are writing to advise you that the Borrower has until 5:00 pm MT on July 31, 2019 to provide the Lender with a proposal for: (i) the re-financing of the Facility; (ii) selling the Property subject to the Mortgage in order to repay the Lender in full; and/or (iii) otherwise arranging for the repayment of the Lender in full. If the Lender has not received a proposal for one of the foregoing options in a form satisfactory to the Lender on or before July 31, 2019, the Lender will proceed with enforcing its security, which may include but is not limited to the appointment of a receiver and/or foreclosing on the Property.

This letter confirms that the Lender has not waived the Existing Defaults or the Defaults and expressly reserves all of its rights, powers, privileges and remedies under the Loan Documents and/or applicable law, including, without limitation, its right at any time, as applicable, (i) to accelerate the obligations, (ii) to charge any default rate of interest in respect of the obligations (as of any date from and after the date on which the first Default first occurred) (iii) to commence any legal or other action to collect any or all of the obligations from the Obligors and/or any other person liable therefor, (iv) to foreclose or otherwise realize on any or all of the Obligors' assets, (v) to take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Loan Documents or applicable law, and (vi) to reject any forbearance, financial restructuring or other proposal made by or on behalf of Obligors or



any creditor or equity holder. The Lender may exercise its rights, powers, privileges and remedies, including those set forth in (i) through (vi) above at any time in its sole and absolute discretion without further notice. No oral representations or course of dealing on the part of the Lender or any of its officers, employees or agents, and no failure or delay by the Lender with respect to the exercise of any right, power, privilege or remedy under any of the Loan Documents or applicable law shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy.

Yours truly,

Cassels Brock & Blackwell LLP


for: Jeffrey Oliver
Partner

JO/dm

SCHEDULE "A"
LOAN DOCUMENTS

1. Commitment Letter dated August 6, 2014 and amended by a Commitment Letter dated July 31, 2017;
2. Mortgage (as amended, the "**Mortgage**") between the Borrower and the Lender dated August 26, 2015 and amended on September 1, 2017;
3. General Security Agreements between the Borrower and the Lender dated August 26, 2015 and September 1, 2017;
4. Guarantee in the limited amount of \$620,000 between the Borrower and the Guarantors dated August 25, 2015; and
5. Guarantee in the limited amount of \$1,200,000 between the Borrower and the Guarantors dated September 1, 2017;
6. Restated Commitment Letter and Forbearance Amending Agreement dated October 1, 2017;
7. Restated Commitment Letter and Forbearance Amending Agreement dated August 24, 2018 (the "**Second Forbearance Agreement**"); and
8. Amending Agreement to the Restated Credit and Forbearance Agreement dated November 8, 2018 (the "**Forbearance Amending Agreement**") and collectively the Second Forbearance Agreement and the Forbearance Amending Agreement are referred to as the "**Forbearance Agreement**").

This is Exhibit "R"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022



August 1, 2019

By Email: jbever@kahanelaw.com

Kahane Law Office
7309 Flint Road SE
Calgary, AB T2H 1G3

joliver@casselsbrock.com

tel: 403.351.2921

fax: 403.444.6758

file # 33336-389

Attention: Jenna Bever

Dear Madam:

Re: The Bank of Montreal, UWAMS Supportive Living Ltd., Maxwell Uwaga and Carol Uwaga

We write further to our letter dated July 3, 2019 (the "**July 3rd Letter**"), a copy of which is enclosed for your convenience. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the July 3rd Letter.

Your office was not copied on the July 3rd Letter because we had understood that you were no longer involved in this matter. Further to your email yesterday, we understand that you are still involved in this matter. We apologize for the oversight.

In any event, to date our client has been extremely patient with your client as this matter has evolved. Three different forbearance agreements have been prepared and executed, to provide your client with additional time in which to address their financial issues. The Lender even advanced additional funds in order to discharge certain builders' liens that were registered on title to the property. A non-exhaustive list of additional accommodations are also detailed in the enclosed letter.

The July 3rd Letter provided your client with a final deadline of July 31, 2019 to provide our client with a proposal for: (i) the re-financing of the Facility; (ii) selling the Property subject to the Mortgage in order to repay the Lender in full; and/or (iii) otherwise arranging for the repayment of the Lender in full. In the July 3rd Letter, we also advised that if the Lender has not received a proposal for one of the foregoing options in a form satisfactory to the Lender on or before July 31, 2019, the Lender will proceed with enforcing its security, which may include but is not limited to the appointment of a receiver and/or foreclosing on the Property.

We confirm that no proposal was received by the Lender prior to the close of business yesterday.

We are writing to advise you that we have scheduled time on the Commercial List of the Alberta Court of Queen's Bench before the Honourable Madam Justice Eidsvik for August 16, 2019 at 3:00 p.m.. At that time, the Lender intends to bring an application to appoint a receiver over all



of the property, assets and undertakings of the borrower. You will be served with application materials in due course.

Between now and the date of the receivership application, the Lender remains willing to consider any reasonable and detailed proposals that you may have that would provide for payment in full to the Lender in a timely fashion. However, with respect to any such proposal, please be advised that the Lender will not agree to adjourn its receivership application unless the Lender is satisfied, in its sole and absolute discretion, that the borrower will be able to service the outstanding loan; bring current all arrears owed thereunder (which currently total approximately \$94,722.85, including interest); bring property taxes current; have the property fully occupied and then manage operating costs and payroll effectively moving forwards.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in blue ink, appearing to be "Jeffrey Oliver", is written over the printed name.

Jeffrey Oliver
JO/rc

cc: UWAMS Supportive Living (by email)
Trevor Bauer (by email)



July 3, 2019

By Courier & Email: usi@shaw.ca

UWAMS Supportive Living Ltd.
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

joliver@casselsbrock.com

tel: 403.351.2921.

fax: 403.444.6758

file # 33336-389

Attention: Max and Carol Uwaga

Max and Carol Uwaga
54 Evergreen Terrace SW
Calgary, Alberta T2Y 2V9

Dear Sir/Madam:

Re: Credit facilities made available by the Bank of Montreal (the "Lender") to UWAMS Supportive Living Ltd. (the "Borrower" or "you") and guaranteed by Max and Carol Uwaga (collectively, the "Guarantors" and collectively, the Borrower and the Guarantors are referred to as the "Obligors")

We are counsel to the Lender. We refer you to the documents described in Schedule "A" attached hereto (collectively, the "**Loan Documents**"). Unless otherwise defined in this letter, all capitalized terms will have the meaning ascribed to them in the Restated Commitment Letter and Forbearance Amending Agreement dated August 24, 2018 as amended by the Amending Agreement to the Restated Credit and Forbearance Agreement dated November 8, 2018 (collectively the "**Forbearance Agreement**").

We are writing further to your meeting with the Lender on May 1, 2019 during which we understand that you:

- (a) advised the Lender that you would have additional occupants in the Property by the end of May 2019; and
- (b) requested that the Lender continue to work with you until July 31, 2019, notwithstanding the occurrence of additional defaults under the Loan Documents as described in more detail below.

We also understand that a representative of the Lender followed up with you on June 4 and 14, 2019 via email and telephone but that no response was received from you.

As you are aware, the Obligors have committed certain additional Events of Default and/or Terminating Events under the Loan Documents, which are continuing as of the dated hereof and include, without limitation:

- (a) a default or breach by the Obligors of any representation, warranty, covenant, term, condition or other provision of the Forbearance Agreement;
- (b) a failure by the Borrower to make any payment when due to the Lender, whether under the Forbearance Agreement or otherwise;
- (c) a failure to comply with the terms and conditions as set out in the Loan Documents as a result of, among other things, a failure of the Borrower to:
 - (i) provide the Lender with proof that the Non-Lender Accounts have been closed in accordance with section 3.2(i) of the Forbearance Agreement;
 - (ii) make payments towards the Facility in accordance with section 3.2(k) of the Forbearance Agreement;
 - (iii) on or before January 1, 2019, provide the Lender with proof that all ten beds of the Business are fully occupied in accordance with section 3.2(m) of the Forbearance Agreement; and
 - (iv) pay all taxes as they become due in accordance with Article D – 3 of the Lender's Standard Form Mortgage;

(collectively, all such existing Terminating Events being the "**Defaults**").

Upon a Terminating Event, the Lender may enforce, without further notice or delay, all of its rights and remedies against the Obligors (or any one of them) including but not limited to the issuance of a demand for payment, the enforcement of the security held by the lender and/or the appointment of a receiver over the assets, undertakings and properties of the Obligors or any one of them.

We are writing to advise you that the Borrower has until 5:00 pm MT on July 31, 2019 to provide the Lender with a proposal for: (i) the re-financing of the Facility; (ii) selling the Property subject to the Mortgage in order to repay the Lender in full; and/or (iii) otherwise arranging for the repayment of the Lender in full. If the Lender has not received a proposal for one of the foregoing options in a form satisfactory to the Lender on or before July 31, 2019, the Lender will proceed with enforcing its security, which may include but is not limited to the appointment of a receiver and/or foreclosing on the Property.

This letter confirms that the Lender has not waived the Existing Defaults or the Defaults and expressly reserves all of its rights, powers, privileges and remedies under the Loan Documents and/or applicable law, including, without limitation, its right at any time, as applicable, (i) to accelerate the obligations, (ii) to charge any default rate of interest in respect of the obligations (as of any date from and after the date on which the first Default first occurred) (iii) to commence any legal or other action to collect any or all of the obligations from the Obligors and/or any other person liable therefor, (iv) to foreclose or otherwise realize on any or all of the Obligors' assets, (v) to take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Loan Documents or applicable law, and (vi) to reject any forbearance, financial restructuring or other proposal made by or on behalf of Obligors or



any creditor or equity holder. The Lender may exercise its rights, powers, privileges and remedies, including those set forth in (i) through (vi) above at any time in its sole and absolute discretion without further notice. No oral representations or course of dealing on the part of the Lender or any of its officers, employees or agents, and no failure or delay by the Lender with respect to the exercise of any right, power, privilege or remedy under any of the Loan Documents or applicable law shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy.

Yours truly,

Cassels Brock & Blackwell LLP


for: Jeffrey Oliver
Partner

JO/dm

SCHEDULE "A"
LOAN DOCUMENTS

1. Commitment Letter dated August 6, 2014 and amended by a Commitment Letter dated July 31, 2017;
2. Mortgage (as amended, the "**Mortgage**") between the Borrower and the Lender dated August 26, 2015 and amended on September 1, 2017;
3. General Security Agreements between the Borrower and the Lender dated August 26, 2015 and September 1, 2017;
4. Guarantee in the limited amount of \$620,000 between the Borrower and the Guarantors dated August 25, 2015; and
5. Guarantee in the limited amount of \$1,200,000 between the Borrower and the Guarantors dated September 1, 2017;
6. Restated Commitment Letter and Forbearance Amending Agreement dated October 1, 2017;
7. Restated Commitment Letter and Forbearance Amending Agreement dated August 24, 2018 (the "**Second Forbearance Agreement**"); and
8. Amending Agreement to the Restated Credit and Forbearance Agreement dated November 8, 2018 (the "**Forbearance Amending Agreement**") and collectively the Second Forbearance Agreement and the Forbearance Amending Agreement are referred to as the "**Forbearance Agreement**").

This is Exhibit "S"
referred to in the Affidavit of
TREVOR BAUER
sworn before me this 12 day of
August, 2019

Thomas Neville

A Commissioner for Oaths/Notary Public
in and for Alberta

THOMAS NEVILLE
A Commissioner for Oaths
in and for Alberta
My Commission Expires April 13, 2022

Tax Information

Query Information

Request Number: 27575148	Charged: Yes	Response Date: 2019-07-02
CompanyID: CASSELS CALGARY	UserID: TYard	Folio #: 33336-389
Search Key: 577JK 45 24		

Title Information

Parcel Address: 9504 2 ST SE

Title #: 131148847
Description: 577JK;45;24

Assessment and Property Tax Information for 123060105

Roll #: 123060105	
2019 Assessment Value: 383,000	Municipality: Calgary
Supplementary Assessment: 0	Supplementary Tax Levy: 0.00
Supplementary Months: 0	Tax Status: Taxable
2019 Tax Levy (includes Supplementary Tax Levy - as shown above & Local Improvement Levies): 2,548.49	
Account Balance Owing: 8,047.02	
Current Tax: 2,608.49	Current Penalty: 182.59
Arrears: 4,912.10	Arrears Penalty: 343.84
# of Buildings on Site: 1	
Property Use:	Sub-property Use:
<ul style="list-style-type: none">Single Residential	
Building Type	Actual Year of Construction:
<ul style="list-style-type: none">House	<ul style="list-style-type: none">1962

Taxable Local Improvement Information

No Taxable Local Improvements exist for this account.(#21180)



PROPERTY TAX CERTIFICATE

For the property described on the assessment and tax roll as:

Legal Description: PLAN 577JK BLOCK 45 LOT 24

Short Legal: 577JK;45;24

Linc Number: 0020777124

Title Number: 131148847

Location Address: 9504 2 ST SE

Roll Number: 123-06010-5

2019 Tax Levy: \$2,548.49

I do hereby certify pursuant to Section 350 of the Municipal Government Act and subject to the conditions noted below that taxes and arrears owing with respect to the above described property levied by The City of Calgary are due in the following amounts:

Current (current calendar year): 2,791.08

Arrears (prior calendar years): 5,255.94

Account Balance: 8,047.02

PLEASE NOTE: This Certificate is conditional upon the clearance of all currently pending payments in respect of the subject tax account to The City of Calgary. In the event that any additional charges relating to these pending payments are incurred after the date this Certificate is issued, including charges relating to returned cheques or dishonoured payments, these additional charges will be added to the subject tax account without further notice.

Dated this 3 Day of July 2019

Time: 07:29

CITY TREASURER

The City of Calgary

IMC #8044

Request No. 242849

Account No. COSTORE

File No. 33336-389

Attn: Cassels Brock & Blackwell LLP

Tel: 403-351-2933

TAX AND LOCAL IMPROVEMENT INFORMATION: 311 or 403-268-CITY (2489)

Tax Recovery Status - This property has a tax notification lien registered on title and is subject to tax recovery action by The City of Calgary until the property taxes are paid in full.