

COURT FILE NUMBER	2401 00595
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	BUILDERS CAPITAL 2019 LTD.
DEFENDANTS	2310000 ALBERTA LTD., YUIN KIM and 1955687 ALBERTA LTD.
DOCUMENT	AFFIDAVIT OF DEFAULT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT	Pittman MacIsaac & Roy Barristers and Solicitors 1400 North, 140 - 4 <sup>th</sup> Avenue S.W. Calgary, Alberta, T2P 3N3 Telephone: (403) 237-6566 Facsimile: (403) 237-6594 Email: <a href="mailto:sn@pmrlaw.ca">sn@pmrlaw.ca</a> Solicitor: Shawna Nahal File: 410586



**AFFIDAVIT OF SANDY LOUITT**  
Sworn on February 22, 2024

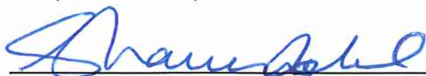
I, Sandy Loutitt, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the President of the Plaintiff Builders Capital 2019 Ltd. (the "Plaintiff") and am the person responsible for the administration of the mortgage loan which is the subject of this action. I have examined the records of the Plaintiff, and as such, can swear positively as to the facts and matters herein deposed to, except where stated to be otherwise.
2. By a Mortgage Collateral to Promissory Note made under the *Land Titles Act*, dated January 18, 2021 and registered in the Land Titles Office for the South Alberta Land Registration District on February 3, 2021 as Instrument Number 211 030 339 (the "Mortgage"), the Defendant 2310000 Alberta Ltd. (the "Mortgagor") mortgaged to the Plaintiff Builders Capital Mortgage Corp. (the "Mortgagee") as security, with respect to a Secured Promissory Note executed January 18, 2021 (the "Promissory Note"), the lands in question herein to secure payment in the sum of \$750,000 together with interest thereon at the rate of 10.95% per annum as expressed in the Promissory Note, which rate was increased to 12.95% on May 31, 2023, payable both before and after maturity, default and Judgment, together with other covenants and provisions with respect to interest as set forth in the Mortgage and the Promissory Note. Attached hereto and marked as **Exhibit "A"** is a copy of the Mortgage and the Promissory Note.
3. By the aforesaid Mortgage and Promissory Note, it was agreed the full balance of principal, interest and other monies (if any) would become due and payable on demand.

4. By a General Assignment of Leases and Rents between the Mortgagee and the Mortgagor, dated January 18, 2021 protected by the Caveat, registered on February 3, 2021 at the Land Titles Office of Alberta as instrument number 211 030 340, the Mortgagor assigned to the Mortgagee the right to collect all rents and profits from the Lands. Attached hereto and marked as **Exhibit "B"** is a copy of the General Assignment of Leases and Rents.
5. By a Transfer of Mortgage dated as of and effective April 13, 2023 and received by the Land Titles Office of Alberta on January 12, 2024, the Mortgagee transferred its Mortgage and all of its rights, powers, title and interest therein to the Plaintiff Builders Capital 2019 Ltd. (the "Plaintiff"). Attached hereto and marked as **Exhibit "C"** is a copy of the Transfer of Mortgage.
6. By a Transfer of Caveat dated as of and effective April 13, 2023 and received by the Land Titles Office of Alberta on January 12, 2024, the Mortgagee transferred its interest in the Caveat to the Plaintiff. Attached hereto and marked as **Exhibit "D"** is a copy of the Transfer of Caveat.
7. By a Continuing Guarantee Agreement, in writing, dated January 18, 2021 (the "Continuing Guarantee"), the Defendant Yuin Kim guaranteed to the Mortgagee the due payment of all monies payable under the Mortgage and the Promissory Note, and all covenants, stipulations and observances therein contained. By an assignment of the Guarantee. By an assignment of the Continuing Guarantee, the Mortgagee transferred its interest in the Continuing Guarantee to the Plaintiff. Attached hereto and marked as **Exhibit "E"** is a copy of the Continuing Guarantee of Yuin Kim.
8. By a Continuing Guarantee Agreement, in writing, dated January 18, 2021 (the "Corporate Guarantee"), the Corporate Defendant 1955687 Alberta Ltd. (the "Corporate Guarantor") guaranteed to the Mortgagee the due payment of all monies payable under the Mortgage and the Promissory Note, and all covenants, stipulations and observances therein contained. By an assignment of the Corporate Guarantee, the Mortgagee transferred its interest in the Corporate Guarantee to the Plaintiff. Attached hereto and marked as **Exhibit "F"** is a copy of the Corporate Guarantee.
9. Pursuant to clauses 16 of the Continuing Guarantee and Corporate Guarantee (the "Guarantees"), it is required that a demand of payment of the sums due and owing under the guarantees be made on the Individual Guarantor and the Corporate Guarantor (the "Guarantors"). On January 3, 2023 a letter was sent to the Mortgagor and the Guarantors requesting demand of payment of the sums due and owing under the Guarantees in the amount of \$794,583.96 (the "Guarantee Demand Letter"). Attached hereto and marked as **Exhibit "G"** is a copy of the Guarantee Demand Letter.
10. The Defendant is the current registered owner of the aforesaid lands.
11. The particulars of the sums advanced by the Mortgagee to the Mortgagor are set forth in the Statement of Secured Indebtedness attached hereto and marked as **Exhibit "H"**.
12. By the Mortgage, it is provided that on default of payment of the principal or interest or any monies thereby secured, the whole principal shall become due and payable.

13. By the Mortgage, the Mortgagor covenanted with the Mortgagee to pay all liens, taxes, rates, charges or encumbrances on the said lands which might fall due or be unpaid, and also to insure the buildings on the said lands against damage by fire, in default of all or any of which the Mortgagee should have the right to do the same and add to the said Mortgage, all costs and expenses incurred by it in that regard and in respect to any proceedings taken to realize the monies secured by the Mortgage.
14. Default has been made in payment of the principal sum and interest pursuant to the terms of the Mortgage.
15. It was covenanted in the Mortgage, that all chattels whether attached to the realty or not shall form part of the lands mortgaged and stand as security for the sum advanced under the Mortgage.
16. The Plaintiff is not now and never has been since the date of the Mortgage, nor hath nor have any person or persons by its order or to my knowledge or belief for its use, been in occupation of the mortgaged lands or any part thereof, nor in receipt of the rents and profits of the same or any part thereof except as may be shown in **Exhibit "H"** of this my Affidavit, or as may be permitted by Order of this Honourable Court.
17. Speaking positively for myself, and to the best of my knowledge, information and belief as to other persons, I further say that the Plaintiff has not, nor hath nor have any person or persons by its order or for its use, received the said sum or any part thereof, nor any security whatsoever therefor, save and except the Mortgage.
18. There is now justly and truly owing by the Defendant to the Plaintiff under and by virtue of the Mortgage, the sum of \$904,723.75 as set out in the Statement of Secured Indebtedness attached hereto as **Exhibit "H"** to this my Affidavit.
19. Speaking positively for myself, in my belief there is no defence to the Plaintiff's claim and there is no genuine issue to be tried.
20. I make this Affidavit in support of an application for an Order Sale to Plaintiff and Deficiency Judgment herein and for no improper purpose.

SWORN BEFORE ME at the City of Calgary, )  
in the Province of Alberta, this 22 )  
day of February, 2024. )



A Commissioner for Oaths in and for the  
Province of Alberta

  
Sandy Loutitt

**Shawna Nahal**

A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.

  
\_\_\_\_\_  
A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**  
A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**MORTGAGE AND PROMISSORY NOTE**

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**211030339**

**ORDER NUMBER: 49790249**

**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.

**MORTGAGE COLLATERAL TO PROMISSORY NOTE  
THE LAND TITLES ACT ALBERTA**

2310000 ALBERTA LTD., (hereinafter referred to as the "Mortgagor"), being the registered owner of an estate in fee simple in possession, in all that piece of land situate in the Province of Alberta, described as follows:

Plan 2084GQ  
Block 4  
Lot 15  
Excepting thereout all mines and minerals  
And the right to work the same

(hereafter referred to as the "Lands" or "Mortgaged Premises"),

IN CONSIDERATION of the aggregate sum of SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$750,000) (sometimes referred to herein as the "Principal Sum" and the amount of "Principal") lent or to be lent to the Mortgagor by the following corporation(s):

BUILDERS CAPITAL MORTGAGE CORP., having an office at 405, 1210 – 8 Street SW, Calgary AB  
T2R 1L3

together with their respective successors and assigns, as applicable, all of which are hereinafter collectively included in the expression the "Mortgagee", the Mortgagor hereby covenants and agrees with the Mortgagee that:

**COLLATERAL SECURITY**

1. This mortgage (the "Mortgage") is given as collateral security for the due and punctual payment of all monies due by the Mortgagor to the Mortgagee (hereinafter referred to as the "Indebtedness").

**INDEBTEDNESS**

2. The Indebtedness shall consist of the amount of Principal and interest payable in accordance with and by virtue of a secured promissory note made by the Mortgagor in favour of the Mortgagee, a copy of which is annexed hereto and marked as Schedule "A" and is made a part hereof (hereinafter referred to as the "Promissory Note"), and any extensions or renewals of or substitutions for the Promissory Note, together with all additional charges that are payable in accordance with this Mortgage (hereinafter referred to as the "Additional Charges").

**INTEREST**

3. The Mortgagor will pay to the Mortgagee interest as aforesaid in the manner aforesaid on the said Principal Sum or on so much thereof as shall have been advanced by the Mortgagee or which shall, from time to time, remain unpaid at the interest rate of TEN AND 95/100 percent per annum calculated and compounded monthly both before and after maturity, and both before and after judgment as set forth in the Promissory Note (the "Interest Rate" or "Mortgage Rate" and

"Interest", and all Interest and other Additional Charges on becoming overdue shall be forthwith be treated (as to payment of Interest thereon) as Principal and shall thereafter be subject to the compounding of Interest at the Mortgage rate as well after as before maturity of this mortgage, both before and after default, and both before and after judgment under this mortgage until paid.

4. The Mortgagor shall pay to the Mortgagee the above Principal Sum of SEVEN HUNDRED AND FIFTY THOUSAND (\$750,000) DOLLARS and any other funds due hereunder or under the Promissory Note in lawful money of Canada, at the times and places, in the manner, with Interest thereon at the rate provided in the Promissory Note or any extensions or renewals of or substitutions for the Promissory Note. Interest payable at the Interest Rate and in the manner set out in the Promissory Note shall be payable as well after as before maturity, and both before and after default.

#### **PAYABLE ON DEMAND**

5. Notwithstanding the terms of any other document, or any other clause in this mortgage, the whole of the moneys hereby secured shall, at the option of the Mortgagee, become due and payable on demand at any time.

#### **PAYMENT OF ARREARS AND COSTS**

6. Any tender by the Mortgagor of arrears or lawful costs or charges at or after the time that this provision for acceleration shall come into effect shall in no way affect or prejudice the Mortgagee's right to demand and to proceed for the whole balance of Principal, Interest and all other monies of whatsoever nature hereby secured; provided, further that in any event, including where legal proceedings have been instituted, the Mortgagee shall not be bound to accept payment of the Principal monies before the time or times hereinbefore provided for the payment thereof.

#### **NON-MERGER**

7. Neither this Mortgage nor the taking of a judgment on or the exercise of any remedies in respect of any of the covenants or agreements herein contained shall operate as a merger of the Promissory Note, or any other present or future instrument or security which the Mortgagee may hold for payment of the Indebtedness hereby secured, or of the said Indebtedness itself; or in any way suspend the payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Promissory Note or any other present or future instrument or security held for payment of the Indebtedness hereby secured, or in any way prejudice or merge in any future instrument or security which may be taken by the Mortgagee by extension or renewal of or substitution for the Promissory Note or other present or future instrument or security representing the Indebtedness hereby secured; or be deemed a payment or satisfaction of the Promissory Note or other present or future instrument or security for the said Indebtedness, or the said Indebtedness itself, nor shall the taking of a judgment or other proceedings under the Promissory Note, or any other present or future instrument or security representing the Indebtedness hereby secured, or the taking of any other instrument or security for the said Indebtedness, operate as a merger of the covenants or rights herein contained; provided, however, that payments of the Principal Sum or Interest, or any portion thereof made on the Promissory Note, or hereunder, or under another instrument or security representing the Indebtedness hereby secured, shall reduce only to that extent the amount secured or outstanding

hereunder and the amount outstanding of the Promissory Note or other instrument or security held for the said Indebtedness to the extent of such payments made.

#### **TAXES**

8. The Mortgagor shall pay as and as the same fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the Lands or this Mortgage or on the Mortgagee in respect of this Mortgage, provided that in respect of such municipal taxes, school taxes and local improvement rates (hereinafter referred to as "Taxes"), these are chargeable against the Mortgaged Premises. The Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay the Taxes which have become or will become due and payable as at the said date for adjustment of Interest and are unpaid at the date of such advance, and such payments shall be Additional Charges.
9. If the Lands or any part thereof are sold or forfeited for non-payment of Taxes while any sum remains unpaid hereunder, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the name of the Mortgagor and on the Mortgagor's behalf, any and all sums necessary to be paid to redeem such Land so sold or forfeited, and to re-vest such Lands in the Mortgagee, and the Mortgagor hereby nominates and appoints the Mortgagee as agent to pay such monies on the Mortgagor's behalf and in the Mortgagor's name, and any monies so expended by the Mortgagee shall be paid by the Mortgagor to the Mortgagee forthwith together with Interest at the Interest Rate from the date expended until paid as Additional Charges. The Mortgagor hereby encumbers and charges the Lands for payment of all such monies together with Interest as aforesaid as Additional Charges under this Mortgage. In the alternative, the Mortgagee shall have the right to bid on and purchase the said Lands at any tax sale of the same and shall thereupon become the absolute owner thereof.

#### **FIXTURES AND WASTE**

10. All erections and improvements affixed to the said Land including but without limiting the generality of the foregoing, all fences, heating, plumbing, air conditioning, ventilating, lighting and water heating equipment, window blinds, floor coverings, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Land and of the security of the Mortgagee; and that the Mortgagor will not commit or permit any act of waste thereon.

#### **OBLIGATION TO REPAIR**

11. The Mortgagor shall at all times during the continuance of this security, the same repair, maintain, restore, amend, keep, make good, finish, add to and put in order; and in the event of any loss or damage thereto or destruction thereof the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same and upon his failure so to do, such of the moneys secured by this Mortgage shall, at the option of the Mortgagee, become immediately due and payable, without any demand by the Mortgagee upon the Mortgagor.



12. It is acknowledged that, notwithstanding anything else contained herein, this Mortgage is intended and shall provide for a mortgage and charge over land (including fixtures thereto) and is not intended to and shall not provide for a security interest in personal property.

#### **INSURANCE**

13. The Mortgagor shall forthwith insure and during the continuance of this security keep insured in favour of the Mortgagee, against loss or damage by fire and, as the Mortgagee may require, insure against loss or damage by tempest, tornado, cyclone, lighting and such other risks and perils as the Mortgagee may deem expedient each and every building on the said Land and which may hereafter be erected thereon, both during erection and thereafter, for the full insurable value thereto in lawful money of Canada. In the case of commercial properties, this covenant shall in addition include boiler, plate glass, rental and public liability insurance in an amount satisfactory to the Mortgagee.
14. Prior to the making of any advance by the Mortgagee, the Mortgagor shall forthwith assign, transfer and deliver over unto the Mortgagee a policy or policies and receipts thereto appertaining evidencing such insurance, and at least fifteen (15) days prior to the expiry of a policy or at least five (5) days prior to the date fixed for cancellation of a policy should notice of cancellation be given, the Mortgagor shall deliver to the Mortgagee evidence of renewal or replacement.
15. Every policy of insurance shall be effected in such terms and with such insurer as may be approved by the Mortgagee, the loss under each policy shall be made payable to the Mortgagee with preference in its favour over any claim of any other person, and each policy shall be retained by the Mortgagee during the currency of this loan. Should an insurer at any time cease to have the approval of the Mortgagee, the Mortgagor shall effect such new insurance as the Mortgagee may desire.
16. In the event of failure on the part of the Mortgagor to execute any obligation undertaken under this section, the Mortgagee may effect such insurance as it deems proper and the Mortgagor covenants to repay to the Mortgagee all premiums paid by it, and the amount of such premiums shall in the meantime be added to the Principal Sum and shall be an Additional Charge upon the said Land and shall bear Interest at the Interest Rate.
17. In case of loss or damage, the Mortgagor shall immediately notify the Mortgagee and the Mortgagee shall have the right to apply the funds wholly or in part in reduction of the Indebtedness hereby secured notwithstanding that no amount at such time may be due and payable under the terms of repayment, or of any other sums owing to it, or in meeting costs of repair or reconstruction, or may be paid in whole or in part to the Mortgagor or to the assigns of the Mortgagor, in which event the sum shall not be credited on the mortgage account, or partly in one such manner and partly in another. No damage may be repaired nor any reconstruction effected without the approval of the Mortgagee.

#### **COVENANTS AS TO TITLE**

18. The Mortgagor:
- a. Has a good title to the said Land;

- b. Has the right to mortgage the said Land;
- c. And that on default the Mortgagee shall have quiet possession of the said Lands;
- d. Free from all encumbrances;
- e. Will execute such further assurance of the said Land as may be requisite; and,
- f. Has done no act to encumber the said Lands.

#### **COSTS OF PERFORMING COVENANTS OF MORTGAGOR**

- 19. The Mortgagee may, at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, understanding or stipulation in this Mortgage, and charge any costs thereof as Additional Charges under this Mortgage.

#### **RIGHTS TO ENFORCE SECURITY ON DEMAND**

- 20. In the event that the Mortgagee chooses to take such steps, regardless of whether or not there is a default in the payment of any part of the moneys secured by this Mortgage, or payment of money due in accordance with the Promissory Note, or a breach of any covenant, understanding, agreement or stipulation expressed or implied herein, the Mortgagee is at liberty, at any time, in its sole and uncontrollable discretion, to take the following steps:
  - a. **ENTRY TO THE LANDS AND COSTS OF ENTRY.** The Mortgagee may at such time or times as the Mortgagee may deem necessary, and with or without the concurrence of any person, enter upon the said Land by using force if necessary, may call on the assistance of civil law enforcement agents to obtain access to the Lands and any improvement thereon, may secure the property, and may make arrangements to obtain court orders confirming the Mortgagees' right to possess the Lands regardless of whether or not they are abandoned; and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements forming part of the said Land, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said Land as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes, shall be forthwith payable to the Mortgagee and shall be an Additional Charge upon the said Land and shall bear Interest at the Interest Rate until paid.
  - b. **COLLECTION OF RENTS.** The Mortgagee or agent of the Mortgagee may collect the rents and profits of the said Land, and make any demise or lease of the said Land, or any part thereof, for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease.
  - c. **SEIZURE AND DISTRAINT.** The Mortgagee may distrain for arrears of Principal and/or interest, and as part of the consideration for any advance of the Principal Sum the

Mortgagor agree to waive, and hereby waives, on the exercise of any such right of distress, all rights to exemptions from seizure and distress under any statute of the Province of Alberta; And for affording a better security and remedy in this behalf, the Mortgagor, in the case of the Lands being used in whole or in part as business premises, hereby attorns to and becomes tenant at will of the Lands to the Mortgagee, from and after the date of this mortgage, at a rent equal in amount to the payment of Principal and/or Interest, to accrue for the periods respectively for and during which such payments shall accrue, and payable from time to time hereafter, at the times hereinbefore provided for payment of the said payments, which rent when paid shall to the extent of such payment be in satisfaction of the said payments; And that on any default in such payment or breach of any covenant herein contained, the Mortgagee may enter upon the Lands and determine the said tenancy without notice; Provided that, if such right of entry as aforesaid shall arise, proceedings to enforce the same may, at the option of the Mortgagee, be taken in a summary way under any statute or other law relating to overholding tenants for the time being in force in the Province of Alberta, but it is agreed that neither the existence of this sub-clause, nor anything done by virtue thereof, shall render the Mortgagee a Mortgagee in possession so as to be accountable for any monies except those actually received;

- d. RIGHT TO FORECLOSURE ACTION. The Mortgagee may forthwith take such proceedings to realize on its security created by this Mortgage by foreclosing the same or otherwise as it may by law be entitled to do.

- 21. The Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor. In the event that a court should find that a default is necessary, and not merely a demand, which is contrary to the terms of this Mortgage, then each of the foregoing powers, and all other powers in this Mortgage available to the Mortgagee are available to the Mortgagee on default. Should the Mortgagee choose to make demand or wish to provide notice to the Mortgagor of any kind, then the Mortgagor agrees that such demand may be made by email to the last known email address of the Mortgagor or by registered mail or by delivery to the last known address of the Mortgagor. Where notice is given by registered mail, the Mortgagor shall be deemed to have received the registered mail on the sooner of two (2) days after it is sent, or on the date the Mortgagor signs and acknowledges receipt of the notice.

#### **RECOVERY OF COSTS PAID BY THE MORTGAGEE**

- 22. The following costs are recoverable:

- a. All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage and for examining the said Land, the title thereto, and for making or maintaining this Mortgage a charge on the said Land;
- b. All sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as Principal, insurance premiums, Taxes or rates, or in or toward payment of expenses of trades supplying labour and materials to the mortgaged property, prior liens, charges, encumbrances or claims charged or to be charged against the said Land or on this Mortgage or on the Mortgagee in respect of this Mortgage;
- c. All sums which the Mortgagee may and does from time to time expend in maintaining, repairing or restoring the said Land or completing improvements thereon, and in inspecting,

- leasing, managing or improving the said Land, including the price or value of any goods of any sort or description supplied to be used on the said Land;
- d. All sums which the Mortgagee may and does from time to time expend or incur in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting including ***the costs of foreclosure proceedings including legal costs, on a solicitor and his own client basis***; and
  - e. An allowance for the time, work and expense of the Mortgagee, or any agent, solicitor or employee of the Mortgagee, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be an Additional Charge on the said Land, together with Interest thereon at the said rate and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded then with the next ensuing instalment, except as herein otherwise provided.

#### **RECOVERY OF PAYMENT BY MORTGAGEE OF CHARGES AND ENCUMBRANCES**

- 23. The Mortgagee has the right to pay prior Mortgagees or subsequent encumbrance holders such as builder's lien claimants or condominium corporations. In the event of the Principal Sum advanced hereunder, or any part thereof, being applied for the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor. All amounts expended by the Mortgagee for the purposes mentioned in this clause are to be secured hereby and shall be an Additional Charge on the said Land, together with Interest thereon at the said rate and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded then with the next ensuing instalment, except as herein otherwise provided.
- 24. The Mortgagee shall not be accountable for any moneys except those actually received by the Mortgagee; and all moneys received or collected by the Mortgagee may, at the option of the Mortgagee be used for the purposes mentioned.

#### **PAYMENT OF FINANCIAL RECOVERY COSTS, OCCUPANCY COSTS AND OTHER ITEMS**

- 25. The Mortgagee may recover its costs and charges in exercising and enforcing and attempting to enforce or in pursuance of any right, power, remedy or purpose whatsoever, and an allowance for the time, work and expense of the Mortgagee, or of any agent for any purpose herein provided including a financial recovery report, an occupancy report, and all such charges shall be repaid to the Mortgagee on demand, or if not demanded, then with the next ensuing payment, and all such sums together with Interest thereon are included in the Additional Charges of the Mortgagee.

#### **NSF CHEQUES**

- 26. The Mortgagee may recover from the Mortgagor charges of \$50.00 for each cheque or payment that is returned NSF, and all such sums together with Interest thereon are included in the Additional Charges of the Mortgagee.

#### **INSPECTOR OR AGENT'S COSTS**

27. The Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Land, and a solicitor to examine and report upon the title to the same; And all such charges shall be repaid to the Mortgagee on demand, or if not demanded, then with the next ensuing payment, and all such sums together with Interest thereon are included in the Additional Charges of the Mortgagee.

#### **POWER TO APPOINT A RECEIVER**

28. The Mortgagee may, at any time, regardless of whether there is a default whatsoever on the part of the Mortgagor in any payment of the Principal Sum or Interest hereby secured, or in the observance or performance of any of the covenants, agreements or provisos herein contained, appoint a receiver of the income of the Lands, or any part or parts thereof, with or without a court order under section 13(2) of the *Judicature Act* and section 49 of the *Law of Property Act* and amendments thereto, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the property of which he may be appointed receiver, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; Provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; And it is further agreed that such receiver shall be entitled to retain out of the monies received by him a commission of five (5%) per centum of the gross receipts, or such higher rate as any Master or Justice of the Court of Queen's Bench of Alberta having jurisdiction may allow, upon application such person for the purpose, and also his disbursements in the collection of such income, and thereafter shall apply all monies received by him as such receiver as follows:

- a. namely, in discharge of all Taxes, rates and accounts payable whatsoever affecting the Lands and in keeping down all annual sums or other payments and the Interest on all Principal Sums, if any, having priority to the Mortgage in right whereof he is receiver;
- b. and in payment of the premiums on fire or other insurance payable under this Mortgage;
- c. and the cost of all necessary or proper repairs to the Lands and in payment of Interest accruing due under the provisions of this Mortgage and the balance, if any, thereafter upon the Principal Sum accrued hereby; and,
- d. Provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the Lands and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a Mortgagee in possession, so as to be accountable for any monies except those actually received; in the event of a conflict between this clause and the terms of a court order, then the court order shall govern.

#### **POWER OF SALE WITHOUT JUDICIAL PROCESS**

29. On demand, the Mortgagee may forthwith on written notice enter on and lease or sell the Lands; And that the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the Lands; And that the Mortgagee may exercise the power of

entering and of sale or leasing hereinbefore given; And that upon demand then and in such case the whole of the monies hereby secured shall forthwith, at the option of the Mortgagee, with or without notice as aforesaid, become due and payable and recoverable under the powers of sale herein contained, or otherwise; Provided, however, that if any such notice as aforesaid be given, the same may be effectually given either in the manner aforesaid or by leaving the same with an adult person on the Lands, if occupied, or by placing the same on some portion thereof, if unoccupied, or at the option of the Mortgagee, by publishing the same in the Calgary Herald, or by mailing the same in a registered letter addressed to the Mortgagor at any Post Office in the Municipality where the Lands are situate, and shall be sufficient whether or not addressed to any person or persons by name or designation, and notwithstanding any person or persons to be affected thereby may be unborn, unascertained or under disability; And that any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part or parts of the Lands may be sold; And that the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and re-sell the Lands or any part thereof, either by private sale or public auction, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence, or commencement of title, or otherwise as it may deem proper, and that no purchaser or lessee under such power shall be bound to enquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; And that out of the money arising from such sale or lease the Mortgagee shall be entitled to retain the Principal Sum and Interest thereon then unpaid under this mortgage and all other sums and Interest secured hereby, together with all expenses incurred in or about taking, recovering, or keeping possession of the Lands, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitors' fees, and disbursements as between solicitor and his own client; And that any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee.

#### **TITLE TO BE KEPT FREE OF ENCUMBRANCES**

30. The Mortgagor will not, without the consent of the Mortgagee in writing, erect, or permit to be erected on the Lands any improvements, or enter into any contract that may cause the Lands to be encumbered by a Builders' Lien, and that in the case of failure to observe the terms of this sub-clause, the Mortgagee may demand payment of the Indebtedness, and take all steps necessary as permitted by this Mortgage to enforce its right for payment of the Indebtedness.

#### **SUBDIVISION OF LANDS**

31. Every part, lot, or unit into which the Land is or may hereafter be divided does and shall stand charged with the whole of the monies hereby secured and no person shall have any right to require the monies hereby secured to be apportioned upon or in respect of any such part, lot or unit.

#### **NOT TO COMMIT WASTE**

32. The Mortgagor will not commit or permit any act of waste on the Lands and that the Mortgagor will, at all times, during the continuance of this security, repair, maintain, restore, amend, keep, make good, finish, add to or put in order the same; and in the event of any loss or damage thereto, or destruction thereof, the Mortgagee may give notice to the Mortgagor to repair, rebuild, replace or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice, and upon the Mortgagor's failure to repair, rebuild, replace or reinstate within such time, such failure shall constitute a breach of covenant hereunder and thereupon the Mortgage monies shall, at the option of the Mortgagee, become immediately due and payable without any demand by the Mortgagee upon the Mortgagor. In the event the Mortgagor shall, without the consent in writing of the Mortgagee or its assigns, commit or permit any kind of waste on the Lands, then the Mortgagee may without prejudice to its other rights or remedies hereunder take such proceedings at law as it shall see fit to restrain the Mortgagor from committing or continuing the acts herein prohibited, and the Principal Sum secured by this mortgage and all other monies payable hereunder shall, at the option of the Mortgagee, at once become due and payable, and the Mortgagee may immediately thereupon take possession of the Lands and may also exercise the foregoing power of sale without notice.

#### **ENVIRONMENTAL AND HAZARDOUS MATERIALS**

33. The Mortgagor represents and warrants to the Mortgagee that all statements made and contained in the Environmental Questionnaire or the Mortgage Commitment Offer are true and complete.
34. The Mortgagor represents and warrants to the Mortgagee that neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Lands and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials).
35. The Mortgagor further represents and warrants to the Mortgagee that no enforcement actions with respect to environmental matters relating to the said Lands are threatened or pending and that to the best of its knowledge there are no violations or any federal, provincial or local environmental laws with respect to the Lands and the Mortgagor covenants and agrees that if any such violations should come to its attention during the currency of this mortgage, it shall immediately notify the Mortgagee of same.
36. The Mortgagor covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Lands in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time to ensure such compliance. The Mortgagor shall promptly pay all of the costs and expenses of conducting such inspections and appraisals, including costs on a solicitor and his own client basis, in default of which the Mortgagee may pay such costs and expenses whereupon they shall be added to the Principal hereby secured, shall be a charge against the Lands and shall bear Interest at the Mortgage Rate until repaid. The Mortgagor hereby indemnifies the Mortgagee, its officers, directors, employees, agents and shareholders and agrees to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever relating to the hazardous materials placed, held, located or disposed of on the Lands, including without limitation:

- a. costs, on a solicitor and client basis, of defending and/or counterclaiming or claiming against third parties in respect of any action or matter; and
- b. any cost, liability or damage arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor, which at any time from time to time may be paid, incurred or asserted against, any of them for, with respect to, or as a direct or indirect result or, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the Lands or into or upon any Lands, the atmosphere, any watercourse, body of water or wetland, of any hazardous materials; and
- c. a reduction in the value or the mortgaged Lands.

#### **OTHER COVENANTS REGARDING TIMING OF ADVANCES AND RECEIPT OF PAYMENT**

- 37. The Mortgagee may amend the interest adjustment date, the date of the first payment and the date of the final payment herein or in the Promissory Note at any time prior to advance of full proceeds by notice in writing by ordinary mail to the Mortgagor at the Mortgagor's address given to the Mortgagee in the application for this Mortgage.

#### **RELEASE OF SECURITY**

- 38. The Mortgagee may at all times release any part or parts of the said Land or any other security or any surety for payment of all or any part of the moneys hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay the said moneys or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the said Land, or any other securities or covenants herein contained, it being especially agreed that notwithstanding any such release the Land, securities and covenants remaining unreleased shall stand charged with the whole of the moneys hereby secured.

#### **EXTENSION OF TIME AND EFFECT OF WAIVER OR EXTENSIONS**

- 39. No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the moneys hereby secured. A waiver by the Mortgagee of any default or defaults of the Mortgagor hereunder shall be deemed to extend to the particular default or defaults only and shall not prejudice or affect the Mortgagee's right with respect to any subsequent or other default or defaults. The Mortgagee may, in its discretion and with or without consent of the Mortgagor, co-covenantor, guarantor or any other party hereto, in respect to the moneys secured by this Mortgage or any part thereof, give an extension of time, take the covenant or covenants of any purchaser or purchasers of the equity of redemption of the Lands or any part thereof, or any security whatsoever from them or any of them, or from any other person, for the assumption and payment of the whole or any part of the moneys hereby secured or for the due performance of any of the covenants herein contained and any such action on the part of the Mortgagee shall not release the Mortgagor or any surety from payment of the said monies or any part thereof or the performance of the said covenants or any of them; And that the



Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under them, or any other person or persons liable for any money payable hereunder, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may apply all moneys received from the Mortgagor, or others, or from securities upon such part of the mortgage indebtedness as the Mortgagee may think best without prejudice to or in any limiting or lessening the liability of the Lands or of any surety or obligor or any other person liable for payment; And the Mortgagee shall incur no liability to any person by reason of anything aforesaid; Any covenant, agreement or liability aforesaid shall continue in full force as long as any moneys remain unpaid on this mortgage, but the Mortgagee shall not be bound to exhaust its resources or remedies against the Land or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any surety or obligor of the amounts guaranteed or secured hereby or herewith.

#### **RENEWAL OF MORTGAGE**

40. That without prejudice to any rights of the Mortgagee hereunder, and without limiting the generality of the foregoing right of the Mortgagee to receive payment in full of the balance payable hereunder on the final date of payment as herein specified, the Mortgagee may, at its sole and unfettered discretion, by agreement made in writing at, before, or after maturity, offer to amend, renew or extend this mortgage with or without an increased rate of Interest, and once agreed to by the Mortgagor in writing this mortgage shall be amended, renewed or extended with or without an increased Interest rate, as a charge against the Land in priority over any subsequent encumbrance.
41. Any agreement to renew or to extend the time for payment or alter the terms of payment or to change the rate of Interest to be charged or any other terms for payment of all or any moneys secured by this Mortgage need not be registered but shall be effectual and binding on the Mortgagor and all other persons interested in the said Land or any part thereof to all intents and purposes and take priority as against such other persons when deposited in or held at the office of the Mortgagee.
42. Said amendment, renewal or extension, may at the sole and unfettered discretion of the Mortgagee, be completed by the taking of a new mortgage document and new collateral security if applicable.
43. Any such renewal or extension or any change in the terms or rate of Interest shall not impair in any manner the validity of or priority of this Mortgage, nor release the Mortgagor from personal liability for the indebtedness hereby secured.

#### **ADVANCES, PROGRESS DRAWS AND RE-ADVANCES**

44. It is the intention of the Mortgagor and Mortgagee that the Mortgagee may make advances and re-advances to the Mortgagor up to an aggregate outstanding balance at any time of the Principal Sum lent as set out aforesaid. Accordingly, this 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* of Alberta. If any portion of the Principal Sum secured by this Mortgage shall not be advanced at the date hereof the Mortgagee may advance the same in one or more sums at any future date or dates and the amount of such advances, when so made, shall be secured by this Mortgage and be repayable with Interest as above provided. The Mortgagee shall

not be bound for any reason whatsoever to advance the Principal Sum hereby intended to be secured and neither the execution of this Mortgage nor the advance in part of the Principal Sum shall bind the Mortgagee to advance the whole of the Principal Sum or any unadvanced portion thereof, but nevertheless the charge or mortgage by this Mortgage created shall take effect forthwith on the execution of this Mortgage. Any payments hereunder to be made by the Mortgagor shall become due and payable at the times herein provided, notwithstanding that at the due date of any such payment the full amount of Principal for which this Mortgage is expressed to stand as security has not been advanced.

#### **BREACH OF ANY COVENANT OR AGREEMENT IS AN EVENT OF DEFAULT**

45. It is further stipulated, and agreed, that notwithstanding anything to the contrary herein contained, this Mortgage is payable ON DEMAND WHETHER OR NOT IN DEFAULT. Should there be any default in the observance or performance of any covenant or agreement of the Mortgagor under or in the specific additional covenants, representations and warranties in this Mortgage or in payment of any instalment of Principal and/or Interest required to be paid pursuant to the Mortgage, then these shall be deemed to be an event of default hereunder. The Mortgagee does not have to wait until an event of default to exercise all remedies set forth in this Mortgage, and may do so on demand at any time. The Mortgagee shall be entitled, at its election, to commence foreclosure proceedings hereunder and/or pursue such other remedies as it may be entitled without notice at any time on demand. If any material representation or material warranty made by the Mortgagor herein or in any document or certificate furnished to the Mortgagee in connection herewith or pursuant hereto shall prove at any time to be materially incorrect, as of the date made, an event of default shall also be deemed to have occurred, and the Mortgagee may immediately take steps to enforce this Mortgage. The Mortgagee is at liberty to rely on an event of default in addition to relying on the terms of this Mortgage that make the Indebtedness payable on demand regardless of default.

#### **ALTERATIONS OR ADDITIONS TO LANDS**

46. The Mortgagor shall not make or permit to be made any alterations or additions to the said Land without the consent of the Mortgagee and the Mortgagor shall not allow the said Land to remain unoccupied or unused.

#### **ASSIGNMENT OF RENTS**

47. The Mortgagor shall assign, in a form satisfactory to the Mortgagee, the rentals payable under any lease or rental agreement whether written or oral to the Mortgagee as additional collateral security for payment of the moneys secured hereby. Except as already done, the Mortgagor shall not assign, charge or encumber such rentals in any way whatsoever other than to the Mortgagee.

#### **INSPECTION OF LANDS**

48. The Mortgagee or agent of the Mortgagee may at any time enter upon the said land to inspect the Land and buildings thereon.

## **EXPROPRIATION**

49. In the event that the whole or any material portion of the property hereby mortgaged is expropriated by any entity empowered to do so, then at the option of the Mortgagee all moneys hereby secured with accrued Interest shall forthwith become due and payable.
50. That the Mortgagor acknowledges that the Mortgagor has been fully instructed and advised as to the meaning of Section 49 of the *Expropriation Act*, being Chapter E-13 of the Revised Statutes of Alberta, 2000, and being fully aware that under the terms of the *Expropriation Act* the Mortgagee is restricted to recovering the market value of this Mortgage at the date of any expropriation, the Mortgagor hereby waives the provisions of Section 49 of the *Expropriation Act* and further waives any provisions which may be enacted and in force from time to time in replacement of or in addition to the provisions of the said Section 49 of the *Expropriation Act*.

## **CANADIAN FUNDS**

51. All moneys whether Principal, Interest or other moneys payable to the Mortgagee under the terms of this Mortgage shall be payable in lawful money of Canada, to the Mortgagee, at the above-mentioned address or such other place as may be designated by the Mortgagee.
52. Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or assistant manager of any branch office of the Mortgagee in the Province of Alberta or an executive officer of the Mortgagee or any officer or agent appointed by the Mortgagee for such purpose.

## **HEIRS, EXECUTORS AND ASSIGNS**

53. Each and all of the covenants, agreements, understandings and stipulations in this Mortgage contained or implied shall be binding upon the person and each of the persons named in the Mortgage as Mortgagor or Covenantor, each of their heirs, executors, administrators, successors and assigns even if one or more of such persons named may not be entitled to any estate or Interest in said Land, that all covenants in this Mortgage contained or implied are to be construed as both joint and several, and that when the context so requires the singular number shall be read as if the plural were expressed, and the masculine or neuter gender as if the masculine, feminine or neuter were expressed and the first person as if the third person were expressed.

## **INTEREST ON ARREARS**

54. Any Interest payable hereunder on becoming overdue shall forthwith be treated, as to payment of interest thereon, as Principal, and shall bear Interest at the rate provided in the Promissory Note or any extensions or renewals thereof or substitutions therefor and, in addition, premiums of insurance or other sums of money paid by the Mortgagee for the protection of this security such as Taxes, repairs or other encumbrances and all costs, charges and expenses connected therewith shall bear Interest at the rate aforesaid as well after as before maturity of this Mortgage, and all such Interest shall be a charge on the said Lands.

## **REQUIREMENT TO PAY IN ACCORDANCE WITH TERMS OF THE MORTGAGE**

55. Notwithstanding the right of any partial prepayments, if permitted by the Mortgagee, the Mortgagor shall continue to make all prescribed payments in strict accordance with the terms of this Mortgage or of the Promissory Note or any extensions or renewals thereof or substitutions therefor, without deduction, until all moneys hereby secured have been fully repaid. No prepayment of any Principal or Interest or Additional Charges may be made without the consent of the Mortgagee.

#### **DUE ON SALE**

56. If the said Lands or any part thereof are sold then the Principal and all other moneys hereby secured shall become due and payable in a like manner and to all intents and purposes as if the time herein mentioned for payment of such moneys had fully come and expired.

#### **CROSS-DEFAULT**

57. A default in the due performance by the Mortgagor of any of the Mortgagor's covenants contained in any other instrument or security which may now or at any time be held or taken by the Mortgagee in respect of the sum secured hereby shall in addition to its usual effect have the same effect and give rise to the same rights and remedies as a default under the terms of this Mortgage, and in the event of the Mortgagee becoming entitled to take legal proceedings of any nature whatsoever against the Mortgagor in respect of this Mortgage or in respect of any of the said other instruments or securities, the Mortgagee may either concurrently with such suit, successively or otherwise pursue any or all of the Mortgagee's other remedies and should the Mortgagee so pursue one or another of the said remedies, this shall not constitute an election by the Mortgagee to abandon any of the other remedies.

#### **OBLIGATION TO KEEP PRIOR ENCUMBRANCES CURRENT, AND DEFAULT WHERE FAILURE**

58. In the event that this Mortgage is granted and approved by the Mortgagee as a second or other subsequent charge upon the said Lands, the Mortgagor covenants and agrees that he will well and truly pay all moneys accruing due under all prior mortgages and encumbrances charging the said Lands, as and when the same shall become due, and that he will well and truly observe and perform the covenants of the mortgagor or encumbrancer in any prior mortgage or encumbrance contained and in the event the Mortgagor shall make default in payment of the said moneys accruing due under any prior mortgage or encumbrance, or shall fail to observe or perform the covenant of the mortgagor or encumbrancer in any prior mortgage or encumbrance contained, then such default or failure shall constitute default under this Mortgage; AND FURTHER that in the event of default in payment of the moneys due under any prior mortgage or encumbrance, the Mortgagee shall have the right to pay the same and any moneys to be paid by the Mortgagee herein shall forthwith be due and payable to the Mortgagee together with Interest thereon at the rate herein mentioned, and shall be recoverable by foreclosure proceedings along with other moneys secured by this Mortgage.

#### **OBLIGATION TO ACT AS PRUDENT OWNER**

59. The Mortgagor shall at all times act as a prudent owner in renting, and keeping rented the Lands and all facilities and accommodations situate thereon with a view to deriving at all times the maximum rental therefrom and that in default in so doing the Mortgagee may whenever it deems necessary, acting reasonably, make such arrangements on thirty days' notice in writing as

the Mortgagee may deem expedient for the leasing, collecting of rents and generally the taking care of and managing of the Lands or any part thereof and the Mortgagee may reimburse itself out of the rents so received for all costs, charges and expenses they may incur in so doing; the Mortgagor further covenants that at all times the property shall be managed by a firm of property managers acceptable to the Mortgagee. Any change in the firm of property managers employed by the Mortgagors shall be approved by the mortgagee, such approval not to be unreasonably withheld. If the firm of property managers is not acceptable to the Mortgagee, the Mortgagee retains the right, on thirty days' notice in writing to require the Mortgagors to retain a new firm of property managers. If, after receipt of a thirty day notice from the Mortgagee advising the Mortgagor that a firm of property managers is not acceptable to the Mortgagee from the Mortgagee, or the Mortgagors refuse or neglect to terminate the property management company, than an event of default shall be deemed to have occurred, and clause 20 shall then apply.

#### **ADDITIONAL GENERAL AND CONTINUING COLLATERAL**

60. It is further agreed that this Mortgage is given as additional general and continuing collateral for the payment of all amounts owing pursuant to the Promissory Note, whether presently advanced or to be advanced from time to time and whether the said Indebtedness is to be advanced pursuant to revolving lines of credit or otherwise. This Mortgage shall not be deemed to have been redeemed by reason only of any account secured hereby ceasing to be in debit.

#### **ATTORNMENT**

61. For better securing the punctual payment of the moneys secured by this Mortgage the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the said Land at a monthly rental equivalent to the monthly instalment secured hereby, including any portion of the annual Taxes payable, with such instalment to be paid on each day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder determine the tenancy hereby created without giving the Mortgagor any notice to quit.

#### **DISCHARGE**

62. The Mortgagor shall be entitled to a discharge of this Mortgage only if the Mortgagor has kept and performed all obligations to pay money imposed upon them by this Mortgage. The Mortgagee shall have a reasonable time after payment of the mortgage moneys in full within which to prepare and execute a discharge of this Mortgage; and Interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor. If the Mortgagor has sold the Lands, and not all of the Indebtedness is being paid, then the Mortgagee shall determine in its sole and uncontrollable discretion whether or not it will grant to the Mortgagor a

partial discharge of this Mortgage as it relates to the mortgaged Lands being sold based on the payment of the net sale proceeds of any sale.

#### HEADINGS

63. The descriptive headings and marginal notes to the several clauses of this Mortgage are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

#### MORTGAGE DISPOSITION CLAUSE

64. For the better securing to the Mortgagee the repayment of the moneys hereby secured, the Mortgagor doth hereby mortgage unto the Mortgagee all its estate and Interest in the land above described.

#### TIME OF THE ESSENCE

65. That time shall be of the essence hereof.

#### JOINT AND SEVERAL OBLIGATIONS

66. Where the Mortgagor consists of one or more persons, corporations, or other legal entities, the obligations of each person, corporation, or other legal entity shall be joint and several.

#### GENDER AND NUMBER

67. Words herein, regardless of the number and genders specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires

IN WITNESS WHEREOF the Mortgagor has executed this document at Calgary, in the Province of Alberta, this 18 day of JANUARY, 2021.

Email Address for Notice to the Mortgagor:


Yina@AlbertaFinance.ca

Address for Notice to the Mortgagor:

1020 16<sup>th</sup> AVE NW CALGARY  
ALBERTA T2M0K5

2310000 Alberta Ltd.

Per:

  
\_\_\_\_\_  
Yuin Kim  
Title: President

**AFFIDAVIT OF EXECUTION**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument who, on the basis of identification shown to me, I do verily believe to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I reviewed the identification of \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of \_\_\_\_\_ )  
Alberta, this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) )  
\_\_\_\_\_ )

A Commissioner for Oaths in and for the  
Province of Alberta

**AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an authorized signing officer of \_\_\_\_\_ named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of Alberta, )  
this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) )  
\_\_\_\_\_ )

A Commissioner for Oaths in and for the  
Province of Alberta

Schedule "A"  
Promissory Note



## SCHEDULE A

### SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, 2310000 ALBERTA LTD., (the "Debtor") hereby promises to pay to or to the order of BUILDERS CAPITAL MORTGAGE CORP., their respective successors and assigns (collectively the "Holder") the sum of SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$750,000) (Canadian Funds) (the "Principal Sum"), together with interest thereon or such portion thereof from time to time remaining unpaid at the rate of TEN AND 95/100 (10.95%) percent per annum calculated and compounded monthly both before and after maturity, and both before and after judgment, (the "Interest Rate" and "Interest") until paid as follows:

1. Interest will accrue at the Interest Rate on the amounts of Principal Sum from time to time advanced, computed from the respective dates of such advances until the Principal Sum is repaid in full;
2. Interest will be deducted from each advance in arrears; and
3. Payments representing Interest only will become due and payable by way of equal monthly instalments in the sum of SIX THOUSAND EIGHT HUNDRED FORTY-THREE AND 75/100 DOLLARS (\$6,843.75) (or such lesser amount as may be required in the event less than the entire Principal Sum has been advanced) on the 30<sup>th</sup> day following the earlier of:
  - a. the date upon which the Mortgagee, in its sole and unfettered discretion, determines that the construction of the new building or buildings and other improvements on the Mortgaged Premises (as defined below) has been completed; and
  - b. the date upon which the Principal Sum has been fully advanced and will continue every 30 days thereafter until the 1<sup>st</sup> day of January, 2022, with the balance of Principal Sum and accrued (but unpaid) interest being due and payable in full on the 1<sup>st</sup> day of January, 2022 ("Maturity"), without days of grace.

The Holder acknowledges and agrees that provided that the Debtor is not in default hereunder, the Debtor shall have the right to prepay the whole or any part of the amount hereby secured at any time, without bonus or penalty.

Payments of both principal and interest shall be at the place in Alberta as the Holder of this Secured Promissory Note shall designate in writing to the Debtor.

In the event of default of payment of any instalment by the Debtor, all remaining instalments of principal and/or interest shall, at the option of the Holder, immediately become due and payable. The Debtor shall pay interest on overdue interest at the Interest Rate.

The Debtor hereby charges and mortgages its interest from time to time in the properties municipally described in the Land Schedule attached hereto and forming part hereof as security collateral to the promise to pay set forth herein in order to secure repayment of the Principal Sum, interest and any other amounts due to the Holder in accordance with the terms hereof. Further, the Debtor agrees to execute such other documents and take such other steps as may reasonably be requested by the Holder

in order to give effect to the aforementioned charge and mortgage, and agrees that the Holder is entitled, but not obligated, to register a mortgage and/or a caveat in respect of this Secured Promissory Note against titles to the parcels comprising the Mortgaged Premises at the Land Titles Office for the South Alberta Land Registration District.

In addition to paying the Principal Sum and Interest as set forth above, the Debtor agrees to be responsible and pay for upon demand all costs associated with the preparation, registration and, if required upon default by the Debtor hereunder, enforcement of this Secured Promissory Note and /or any mortgage or caveat associated herewith, including legal fees and disbursements on a solicitor and his own client basis and any other additional sums payable to the Lender in accordance with the terms of the Mortgage Collateral to Promissory Note.

The Debtor hereby waives presentment, notice of dishonour, protest, and notice of protest of this Secured Promissory Note.

This Secured Promissory Note shall be governed and construed in accordance with the laws of the Province of Alberta, Canada.

DATED at the City of Calgary, in the Province of Alberta as of this 18 day of JANUARY, 2021.

2310000 Alberta Ltd.

Per:

\_\_\_\_\_  
Yuin Kim  
Title: President

**LAND SCHEDULE TO THE PROMISSORY NOTE  
DATED 18 JANUARY 2021  
BETWEEN 2310000 ALBERTA LTD. AS BORROWER  
AND BUILDERS CAPITAL MORTGAGE CORP. AS LENDER**

Plan 2084GQ

Block 4

Lot 15

Excepting thereout all mines and minerals

And the right to work the same

(the "Mortgaged Premises")

**AFFIDAVIT OF EXECUTION**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument who, on the basis of identification shown to me, I do verily believe to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I reviewed the identification of \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of \_\_\_\_\_ )  
Alberta, this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) \_\_\_\_\_

A Commissioner for Oaths in and for the Province of Alberta

**AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an authorized signing officer of \_\_\_\_\_ named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of Alberta, )  
this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) \_\_\_\_\_

A Commissioner for Oaths in and for the Province of Alberta



211030339

211030339 REGISTERED 2021 02 03  
MORT - MORTGAGE  
DOC 2 OF 3 DRR#: C113CF5 ADR/CWYNNE  
LINC/S: 0016125347

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**  
A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**GENERAL ASSIGNMENT OF LEASES & RENTS**

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

**IMAGE OF DOCUMENT REGISTERED AS:**

**211030340**

**ORDER NUMBER: 49790249**

**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.**

**CAVEAT FORBIDDING REGISTRATION**

ASPL  
TO: THE REGISTRAR OF THE SOUTH ALBERTA LAND REGISTRATION DISTRICT

TAKE NOTICE that Builders Capital Mortgage Corp. ("BC"), of Suite 405, 1210 – 8 Street SW, Calgary, Alberta T2R 1L3 (the "Caveator"), claims an interest pursuant to a general assignment of leases and rents agreement between 2310000 Alberta Ltd. as Borrower, and BC as Lender, a copy of which is appended and by this reference and incorporated herein.

The lands referred to herein are legally described as follows:

Plan 2084GQ

Block 4

Lot 15

Excepting thereout all mines and minerals

And the right to work the same

Standing in the registrar in the name of 2310000 Alberta Ltd., and it forbids the registration of any person as transferee or owner of, or of any instrument affecting the said estate or interest, unless the instrument or certificate of title, as the case may be, is expressed to be subject to its claim.

THE CAVEATOR APPOINTS PMR LAW, Barristers and Solicitors, #1400, 140 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3N3, as the place at which notices and proceedings relating hereto may be served.

DATED this 18<sup>th</sup> day of January, 2021.

PMR Law,

Per:



Shawna Nahal

Solicitor and Agent for the Caveator



**AFFIDAVIT**

I, Shawna Nahal, of the City of Calgary, in the Province of Alberta, Barrister and Solicitor, MAKE OATH AND SAY:

1. I am the agent for the above-named Caveator.
2. I believe that the said Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal therewith.

SWORN BEFORE ME at the City of )  
Calgary, in the Province of Alberta, this )  
18<sup>th</sup> day of January, 2021. )

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

Shawna Nahal  
Shawna Nahal

**Heidi Jones**  
My Commission Expires  
March 10, 2023.

**GENERAL ASSIGNMENT OF LEASES AND RENTS**

THIS ASSIGNMENT made effective the 18 day of January, 2021

BETWEEN:

**2310000 ALBERTA LTD.**

a body corporate, having offices in the City of Calgary, in the Province of Alberta  
of the City of Calgary, in the Province of Alberta  
(the "Borrower")

OF THE FIRST PART

AND

**BUILDERS CAPITAL MORTGAGE CORP.**

a body corporate, having offices in the City of Calgary, in the Province of Alberta  
(the "Lender")

OF THE SECOND PART

**RECITALS:**

1. The Borrower is registered, or entitled to become registered, as owner of those lands legally described as per the **Land Schedule** attached hereto (the "Lands");
2. It is the intention of the Borrower to demise the Lands or portions thereof, from time to time as it sees fit;
3. By a land mortgage (which mortgage together with any renewals, amendments or extensions thereof, or any mortgage taken in substitution therefore, either wholly or in part is herein called the "**Mortgage**") registered or to be registered against the title to the Lands, the Borrower mortgaged or intends to mortgage the Lands in favour of the Lender;
4. It has been agreed that in consideration of the Lender making an advance to the Borrower of any of the monies secured by the Mortgage, the Lender shall have the additional and collateral security of this Assignment;

**AGREEMENT:**

In consideration of and pursuant to the foregoing, and for value received, the receipt and sufficiency of which the Borrower acknowledges, the Borrower agrees with the Lender as follows:

1. The Borrower irrevocably assigns and grants to the Lender a security interest in:
  - a. All rents, deposits and other monies (the "**Rents**") now due and payable or to become due and payable under every existing and future Lease, sub-lease and agreement to lease, including any termination costs or fees and in every existing and future tenancy,

## GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT made effective the 18 day of January, 2021

BETWEEN:

**2310000 ALBERTA LTD.**

a body corporate, having offices in the City of Calgary, in the Province of Alberta  
of the City of Calgary, in the Province of Alberta  
(the "Borrower")

OF THE FIRST PART

AND

**BUILDERS CAPITAL MORTGAGE CORP.**

a body corporate, having offices in the City of Calgary, in the Province of Alberta  
(the "Lender")

OF THE SECOND PART

### RECITALS:

1. The Borrower is registered, or entitled to become registered, as owner of those lands legally described as per the **Land Schedule** attached hereto (the "Lands");
2. It is the intention of the Borrower to demise the Lands or portions thereof, from time to time as it sees fit;
3. By a land mortgage (which mortgage together with any renewals, amendments or extensions thereof, or any mortgage taken in substitution therefore, either wholly or in part is herein called the "**Mortgage**") registered or to be registered against the title to the Lands, the Borrower mortgaged or intends to mortgage the Lands in favour of the Lender;
4. It has been agreed that in consideration of the Lender making an advance to the Borrower of any of the monies secured by the Mortgage, the Lender shall have the additional and collateral security of this Assignment;

### AGREEMENT:

In consideration of and pursuant to the foregoing, and for value received, the receipt and sufficiency of which the Borrower acknowledges, the Borrower agrees with the Lender as follows:

1. The Borrower irrevocably assigns and grants to the Lender a security interest in:
  - a. All rents, deposits and other monies (the "**Rents**") now due and payable or to become due and payable under every existing and future Lease, sub-lease and agreement to lease, including any termination costs or fees and in every existing and future tenancy,

sub-tenancy, use and occupation of and license in respect of the whole or any portion of the Lands;

- b. All present and future leases including all renewals, amendments or replacements from time to time, licenses, permits, tenancy agreements or rights of use or occupation of every kind (individually called a "Lease" and collectively called the "Leases") in respect of the Lands or any part thereof;
  - c. The benefit of all guarantees of the Leases; and
  - d. The benefit of all covenants by all tenants, lessees, users, occupiers, and licensees of the premises on the Lands (collectively called "the Lessees"), with full power and authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents, to enforce payment and performance of all the Leases in the name of and as agent for the Borrower.
2. Although this is a present Assignment, the Lender shall not exercise its rights hereunder until the Lender determines that default has been made under the Mortgage or this Assignment and at its option decides to exercise its rights.
3. The Lender is not responsible for collecting any Rents or performing any terms under any Lease either by the Tenant or the Borrower. The Lender shall not be a mortgagee in possession of the Lands by virtue of this Assignment or by virtue of anything done or omitted to be done by the Lender in respect of this Assignment. The Lender is not under any obligation to take any action or exercise any remedy in the collection or the recovery of any Rents or to see to or enforce the performance of any terms of any Lease.
4. The Lender shall only be liable to account for monies which actually comes into its hands by virtue of this Assignment, after deduction of all collection charges, inspection fees and other expenses (including legal fees as between a solicitor and his own client on a full indemnity basis) to which the Lender may be put in respect of this Assignment and all monies received by the Lender shall be applied on account of any such part of the mortgage indebtedness.
5. This Assignment shall also operate as an assignment by the Borrower of any and all money paid or to be paid to the Borrower pursuant to insurance paid for lost rentals or lost income upon partial or full destruction of the Lands. Demand on the insurer or insurers may be made by service of a copy of this assignment personally or by registered mail and the insurers so served are hereby authorized and directed to give full effect to this assignment and to pay all rental insurance accruing due subsequent to demand to the Lender, whose receipt thereof shall constitute full discharge of such insurer's responsibility for such payment.
6. The Borrower shall not, without the consent in writing of the Lender:
  - a. assign, pledge or hypothecate the whole or any part of any Leases or Rents other than to the Lender;
  - b. do or allow or omit to do or omit to allow any act which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Lender

or obligations of any other party under or in respect of any Lease including any action whereby a right of set-off shall or may arise between the Borrower and the Lessee;

- c. terminate, accept a surrender of or amend in any manner any Lease other than month to month tenancies, unless such action is undertaken in accordance with good business practice on an arm's length basis and in good faith. Any sums received by the Borrower with respect to the surrender or proposed surrender or amendment of the Leases shall be paid to the Lender; or
  - d. receive or permit any prepayment of any Rent for more than two months in advance excepting existing and or future deposits or prepaid Rents.
- 7. The Borrower shall not commit any breaches of the Leases and if it does the Borrower shall immediately take such steps as are required to place the Leases in good standing.
- 8. The Borrower will at its sole cost and expense, enforce the performance or observance of each and every covenant and condition of any Lease by the Lessee.
- 9. The Borrower will from time to time on demand furnish to the Lender a current list of all Leases in such detail as the Lender requires.
- 10. The Borrower will give the Lender prompt notice of any default by any Lessee that has not been corrected within 30 days from the date of default.
- 11. Whenever the Lender is entitled to levy distress against the goods and property of any Lessee or to re-enter the premises described in any Lease, the Lender may use such force as it sees fit without being liable to any action in respect thereof or for any loss or damage occasioned thereby. The Borrower releases the Lender from all actions, proceedings, claims or demands in respect of any such forcible entry or any loss or damage sustained by the Borrower in respect thereof.
- 12. The Borrower represents and warrants to the Lender that:
  - a. none of the Leases or the Borrower's rights thereunder, including the right to receive the Rents, has been or will be amended, sublet, assigned, encumbered, discounted, anticipated, waived, reduced, released or abated without the prior written consent of the Lender, unless such action is undertaken with good business practice, on an arm's length basis and in good faith;
  - b. none of the Rents has been or will be paid prior to the due date for payment thereof other than as permitted by paragraph 6 (d) hereof;
  - c. there is no outstanding dispute under any Lease between the Borrower and any of the Lessees;
  - d. the Borrower has performed and will perform all of its obligations under each Lease;
  - e. each Lease at the date hereof is valid, enforceable and in full force and effect;

- f. the Leases do not contain any right of first refusal on the sale of the Lands or any portion thereof nor do they contain any option to purchase the Lands or any portion thereof; and
  - g. the Borrower has the good right, full power and absolute authority to assign its rights in accordance with this Agreement and has not made any prior assignment of the Rent or Leases.
- 13. Default by the Borrower under any of its covenants herein shall constitute a default under the Mortgage.
- 14. The Borrower will at the request of the Lender from time to time give any of the Lessees notice of this Assignment and will obtain from those Lessees acknowledgement of such notice. The notice and acknowledgement shall be in the form required by the Lender and such notice (or any notice of this Assignment given by the Lender) shall be effective and binding upon the Lessee upon the Lender giving the Lessee notice that the Borrower has defaulted under the terms of the Mortgage. The Borrower irrevocably appoints the Lender as its Power of Attorney to serve such notice. Upon such service, the Lessee is irrevocably directed and authorized to pay, without inquiry of any nature, all Rents or other payments then or thereafter accruing under the Lease to the Lender.
- 15. This Assignment is taken by way of additional security only. Neither the taking of this Assignment nor anything done in respect of this Assignment shall in any way prejudice or limit the rights of the Lender or the obligations of the Borrower under the Mortgage or any collateral security thereto.
- 16. The Lender shall be entitled to exercise the various rights granted to it hereunder or under the Mortgage either collectively or separately at its option. The exercise by the Lender of any of its rights hereunder shall not be deemed to be an acceleration of the principal sum owing under the Mortgage.
- 17. Should the Borrower fail to do any act as herein required, then the Lender may, but without obligation to do so and without notice or demand on the Borrower and without releasing the Borrower from any obligation herein, may make or do the same.
- 18. The Borrower shall indemnify the Lender from all actions, costs, damages, suits, liabilities or expenses (including legal fees as between a solicitor and his own client on a full indemnity basis) incurred in enforcing this Assignment or otherwise incurred by the Lender as a result of this Assignment and the Borrower will immediately, upon demand, pay all sums expended by the Lender hereunder, together with interest thereon at the rate described in the Mortgage, and the same shall be added to the mortgage indebtedness and shall be secured hereunder and by the Mortgage.
- 19. The Borrower shall execute such further documents as are required by the Lender from time to time to perfect this Assignment.

20. The Borrower charges the Lands to the Lender to secure the due performance of this Assignment and the payment of all Rents to the Lender and the Lender shall be entitled to register a Caveat against the title to the Lands protecting the same. The Lender shall be entitled to renew the registration of this Assignment from time to time with any governmental registry or agency as the Lender in its sole discretion deems necessary and the Borrower shall be liable for any costs incurred.
21. This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Borrower and the Lender. If this Assignment is executed by more than one person as Borrower, all terms herein contained are binding on all Borrowers jointly and severally.

The Borrower has executed this Assignment effective the day and year first before written.

2310000 Alberta Ltd.

Per:

\_\_\_\_\_  
Yuin Kim  
Title: President

**AFFIDAVIT OF EXECUTION**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument who, on the basis of identification shown to me, I do verily believe to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I reviewed the identification of \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of \_\_\_\_\_ )  
Alberta, this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) \_\_\_\_\_

A Commissioner for Oaths in and for the  
Province of Alberta

**AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an authorized signing officer of \_\_\_\_\_ named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
\_\_\_\_\_, in the Province of Alberta, )  
this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_) \_\_\_\_\_

A Commissioner for Oaths in and for the  
Province of Alberta



**LAND SCHEDULE**

Plan 2084GQ

Block 4

Lot 15

Excepting thereout all mines and minerals

And the right to work the same



211030340

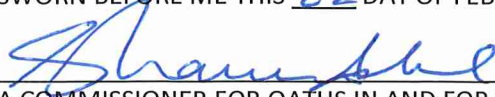
211030340 REGISTERED 2021 02 03

CAVE - CAVEAT

DOC 3 OF 3 DRR#: C113CF5 ADR/CWYNNE

LINC/S: 0016125347

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**  
A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**TRANSFER OF MORTGAGE**

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

**IMAGE OF DOCUMENT REGISTERED AS:**

**241027753**

**ORDER NUMBER: 49790249**

**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.**

**TRANSFER OF MORTGAGE**

**FORM 18**

*Land Titles Act*

**Section 109**

**BUILDERS CAPITAL MORTGAGE CORP.**, the Mortgagee in consideration of \$812,799.36, paid to it on April 13, 2023, by **BUILDERS CAPITAL 2019 LTD.**, of 260, 1414 – 8 Street S.W., Calgary, Alberta, T2R 1J6, the receipt of which sum it does hereby acknowledge, hereby transfers to:

**BUILDERS CAPITAL 2019 LTD.**

of 260, 1414 – 8 Street S.W.

Calgary, Alberta, T2R 1J6

the mortgage registered as instrument number **211 030 339** together with its rights, powers, title and interest therein.

IN WITNESS WHEREOF, the Mortgagee hereunto affixed its corporate seal by the hand of its duly authorized officers, dated and effective as of the 13<sup>th</sup> day of April, 2023.

**BUILDERS CAPITAL MORTGAGE CORP.**

Per:

Sandy Loutitt

President



241027753

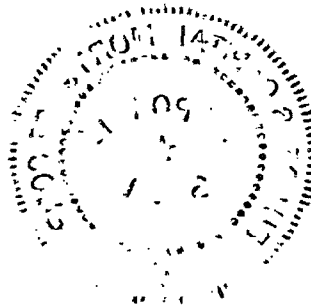
241027753 REGISTERED 2024 01 25

TFIN - TRANSFER OF INSTRUMENT

DOC 1 OF 2 DRR#: F000H0V ADR/CMACMILL

LINC/S: 0016125347

1



THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**  
A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**TRANSFER OF CAVEAT**

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**241027754**

**ORDER NUMBER: 49790249**

**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.



**TRANSFER OF CAVEAT**

Form 28A  
**LAND TITLES ACT**  
Section 136

**BUILDERS CAPITAL MORTGAGE CORP.**, the Caveator under the Caveat registered in the Land Titles Office as instrument number **211 030 340**, hereby transfers the said Caveat to **BUILDERS CAPITAL 2019 LTD.** together with all rights granted by the *Land Titles Act* to it as Caveator and subject to all liabilities imposed by the *Land Titles Act* on it as Caveator.

IN WITNESS WHEREOF, the Caveator hereunto affixed its corporate seal by the hand of its duly authorized officers, dated as of and effective the 13<sup>th</sup> day of April, 2023.

**BUILDERS CAPITAL MORTGAGE CORP.**

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

Sandy Loutin  
President

**NOTICE OF CHANGE OF ADDRESS FOR SERVICE**

**BUILDERS CAPITAL 2019 LTD.** designates the following address as the place at which notice and proceedings relating to the Caveat or the subject matter of the Caveat may be served:

**BUILDERS CAPITAL 2019 LTD.**  
c/o PMR Law  
1400, 140 - 4 Avenue S.W.  
Calgary, Alberta, T2P 3N3  
Agent - Shawna Nahal

DATED as of and effective the 13<sup>th</sup> day of April, 2023.

**BUILDERS CAPITAL 2019 LTD.**

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

Sandy Loutin  
President




241027754

241027754 REGISTERED 2024 01 25  
TFIN - TRANSFER OF INSTRUMENT  
DOC 2 OF 2 DRR#: F000H0V ADR/CMACMILL  
LINC/S: 0016125347

7



THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**

A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**CONTINUING GUARANTEE OF YUIN KIM**

**CONTINUING GUARANTEE**  
**(INCLUDING POSTPONEMENT AND ASSIGNMENT OF CLAIMS)**

TO: **BUILDERS CAPITAL MORTGAGE CORP.**  
of Suite 405, 1210 – 8 Street SW  
Calgary, Alberta, T2R 1L3

(the "Lender")

IN CONSIDERATION of the Lender extending credit to or otherwise dealing or continuing to deal with **2310000 ALBERTA LTD.** (hereafter called the "Customer"), the undersigned (jointly and severally if more than one) hereby guarantees unconditionally and promises to pay to the Lender all existing and future debts and liabilities of the Customer to the Lender (the "Indebtedness"), whether such debts and liabilities are direct or indirect or by the way of guarantee or otherwise, whether incurred alone or with another or others, whether heretofore or hereafter incurred, whether voluntarily or involuntarily incurred, whether due or not due, and whether absolute, inchoate, contingent, liquidated or unliquidated, and including, without limitation, interest accrued or to accrued or to accrue on all such debts and liabilities at the same rate or rates payable by the Customer, both before and after default, maturity, and judgment, whether such judgment be obtained against the Customer and the undersigned or any of them.

The undersigned (jointly and severally if more than one) further covenants and agrees with the Lender as follows:

1. Without further authorization from or notice to the undersigned you may grant credit to or otherwise deal or continue to deal with the Customer from time to time, either before or after revocation hereof, in such manner, upon such terms and for such time as you may deem best, and with or without notice to the undersigned you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any of the debts and liabilities hereby guaranteed, increase or reduce the interest rate thereon, release or add one or more guarantors or endorsers, accept additional or substituted security or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the undersigned's obligations hereunder or any security furnished by the undersigned or give the undersigned any recourse against you. No loss of or in respect of any securities received by you from the Customer or any other person, whether occasioned by your fault or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
2. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you by the customer, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other guarantor hereunder or under any other guarantee agreement, or against any other person, firm or corporation, or under any securities you may hold at any time, nor to value such securities, before requiring or being entitled to payment from the

undersigned of all debts and liabilities hereby guaranteed; PROVIDED always that the undersigned (or any of them, if more than one hereunder) may determine his further liability under this continuing guarantee by thirty (30) days' notice in writing to you, and the liability hereunder of such undersigned shall continue until the expiration of thirty (30) days after the giving of such notice, and after the expiration of such notice such undersigned shall remain liable under this guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the customer on such sum or sums; if there is more than one undersigned hereunder, a notice by one undersigned under this clause shall not affect the liability of any other undersigned under this guarantee.

3. Upon this guarantee coming into your hands, the same shall be deemed to be finally executed and delivered by the person or persons signing the same and shall not be subject to or affected by any promise or condition affecting or limiting the (or and of the) undersigned's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this guarantee or has induced the making thereof or shall be deemed in any way to affect the liability of the undersigned or any of the undersigned hereunder.
4. No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on the Lender unless made in writing.
5. Until all indebtedness of the Customer to you has been paid in full, the undersigned shall not have any right of subrogation or to securities held by the Lender, unless expressly given the undersigned in writing.
6. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the debts and liabilities hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.
7. No change in the name, objects, share capital, business, membership, directors' powers, organization or management of the customer shall in any way affect the obligations of the undersigned either with respect to transactions occurring before or after any such change, it being understood that where the Customer is a partnership or corporation, this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of a corporate Customer, and notwithstanding any reorganization of a corporate Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.
8. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or

informally affected, or in excess of the powers of the Customer or of the directors, partners or agents thereof.

9. The undersigned shall have a continuing current liability to the Lender under this guarantee to the extent of the debts and liabilities of the Customer to the Lender from time to time, provided however that for the purpose of the Limitation of Actions Act of Alberta or any similar legislation, the undersigned shall not be in breach of this guarantee and no cause of action against the undersigned shall arise hereunder unless and until the Lender has served written demand upon the undersigned to pay or otherwise observe or perform his obligations under this guarantee and the undersigned has failed to do so promptly following service of such demand.
10. Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting any undersigned's liability to you, and until all indebtedness of the Customer to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the undersigned to you under this guarantee and to prove and rank for such sums paid by the undersigned and to receive the full amount of all dividends in respect thereto, all of the same being hereby assigned and transferred to you. The undersigned shall not be released from liability if recovery from the Customer, any other guarantor (including any other guarantor under this guarantee) or any other person becomes barred by any Statute of Limitations or is otherwise prevented.
11. The undersigned will file all claims against the Customer in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of the Customer to the undersigned and will assign to you all of the undersigned's rights thereunder. If the undersigned does not file any such claim, you, as attorney in fact of the undersigned, are hereby authorized to do so in the name of the undersigned or in your discretion to assign the claim to you or your nominee and cause proof of claim to be filed in your name or the name of your nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to you or your nominee the full amount payable on the claim in the proceeding before making any payment to the undersigned, and to the full extent necessary for that purpose the undersigned hereby assigns to you all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled. If the amount so paid is greater than the indebtedness of the Customer to you then outstanding, you are authorized to pay the amount of the excess to the person entitled thereto.
12. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the undersigned shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law. If you hold one or more other guarantees executed by the undersigned in respect of the Customer, the amount of the undersigned's liability under such other guarantee or guarantees shall be in addition to the undersigned's liability under this guarantee.

13. In case of default you may maintain an action upon this guarantee against the undersigned (or any one or more of the undersigned) whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the undersigned (or any one undersigned if more than one hereunder) or by any number of successive actions until and unless all debts and liabilities hereby guaranteed have been paid and each of the undersigned's obligations hereunder had been fully performed.
14. The undersigned shall pay to you on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyers fees as between solicitor and his own client on a full indemnity basis) incurred by you for the preparation, execution, perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each of such costs, charges and expenses until payment by the undersigned hereunder at a floating rate per annum equal to 3% above the prime lending rate established by Royal Bank of Canada from time to time.
15. Should any one or more provisions of this guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.
16. Any notice or demand which you may wish to give may be served on the undersigned either personally on him, or his legal personal representative or in the case of a corporation on any officer or director of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the undersigned may wish to give you shall be served personally on the Lender at the address specified on the first page of this guarantee.
17. This guarantee shall be construed in accordance with the Laws of the Province of Alberta and in any action thereon the undersigned shall be stopped from denying the same; any judgment recovered in the Courts of such Province against any undersigned or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them. The undersigned accepts and submits to the jurisdiction of the courts of the Province of Alberta in respect of this guarantee.
18. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing gender shall include the masculine, feminine and neuter gender, and any word importing a person shall include a corporation and a partnership and any entity, in each case as the context requires or permits.
19. This guarantee and agreement on the part of the undersigned shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the undersigned (jointly and severally if more than one hereunder) and on his (or on each of their) executors, administrators, legal personal representatives, successors and assigns.
20. POSTPONEMENT AND ASSIGNMENT OF CLAIMS: All indebtedness, present and future, of the Customer to the undersigned (and each of the undersigned if more than one) together with

each and every security therefore is hereby assigned to you and postponed to the present and future debts and liabilities of the Customer to you, and all monies received from the Customer or for its account by the undersigned shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's debts and other liabilities to you are fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned (or any of them if more than one) to you under this guarantee.

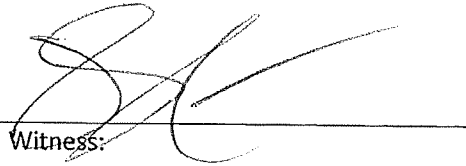
IN WITNESS WHEREOF the undersigned has executed this guarantee, this 18 day of January, 2021.

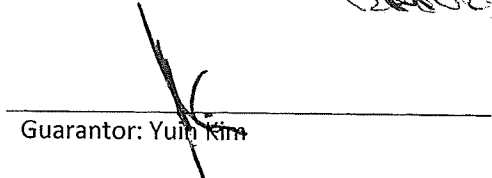
Email Address for Notice to the Guarantor:

Yvonne.Dalton@Finance.ca

Address for Notice to the Guarantor:

1020 16 AVE NW CALGARY AB  
T2M 0K5

  
Witness:

  
Guarantor: Yvonne Kim



**AFFIDAVIT OF EXECUTION**

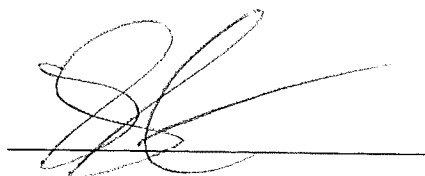
I, Doreen Allison, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. That I was personally present and did see Yoon Kim named in the within instrument who, on the basis of identification shown to me, I do verily believe to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I reviewed the identification of Yoon Kim 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 18 day of January 2021. )



A Commissioner for Oaths in and for the Province of Alberta



JODIE INWOOD  
My Commission Expires  
July 3, 2020 <sup>3</sup>

**GUARANTEES ACKNOWLEDGMENT ACT**

**CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. Yuin Kim of the City of Calgary, in the Province of Alberta, the guarantor in the guarantee dated the 18 day of January, 2021 made between Yuin Kim and Builders Capital Mortgage Corp. and to which this certificate is attached or noted upon, 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 DARLAS RUSSELL, Lawyer at the City of Calgary, in the Province of Alberta, this 18 day of January, 2021.

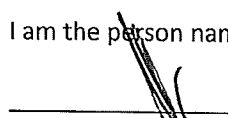
  
Signature of Lawyer

Name:

DARLAS RUSSELL  
DARLAS RUSSELL  
Barrister & Solicitor  
A Notary Public in and  
for the Province of Alberta

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

  
Signature of Guarantor

Name: Yuin Kim

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**  
A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**CORPORATE GUARANTEE**

**CONTINUING GUARANTEE**  
**(INCLUDING POSTPONEMENT AND ASSIGNMENT OF CLAIMS)**

TO: **BUILDERS CAPITAL MORTGAGE CORP.**  
of Suite 405, 1210 – 8 Street SW  
Calgary, Alberta, T2R 1L3  
  
(the "Lender")

IN CONSIDERATION of the Lender extending credit to or otherwise dealing or continuing to deal with **2310000 ALBERTA LTD.** (hereafter called the "Customer"), the undersigned (jointly and severally if more than one) hereby guarantees unconditionally and promises to pay to the Lender all existing and future debts and liabilities of the Customer to the Lender (the "Indebtedness"), whether such debts and liabilities are direct or indirect or by the way of guarantee or otherwise, whether incurred alone or with another or others, whether heretofore or hereafter incurred, whether voluntarily or involuntarily incurred, whether due or not due, and whether absolute, inchoate, contingent, liquidated or unliquidated, and including, without limitation, interest accrued or to accrued or to accrue on all such debts and liabilities at the same rate or rates payable by the Customer, both before and after default, maturity, and judgment, whether such judgment be obtained against the Customer and the undersigned or any of them.

The undersigned (jointly and severally if more than one) further covenants and agrees with the Lender as follows:

1. Without further authorization from or notice to the undersigned you may grant credit to or otherwise deal or continue to deal with the Customer from time to time, either before or after revocation hereof, in such manner, upon such terms and for such time as you may deem best, and with or without notice to the undersigned you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any of the debts and liabilities hereby guaranteed, increase or reduce the interest rate thereon, release or add one or more guarantors or endorsers, accept additional or substituted security or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the undersigned's obligations hereunder or any security furnished by the undersigned or give the undersigned any recourse against you. No loss of or in respect of any securities received by you from the Customer or any other person, whether occasioned by your fault or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
2. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you by the customer, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other guarantor hereunder or under any other guarantee agreement, or against any other person, firm or corporation, or under any securities you may hold at any time, nor to value such securities, before requiring or being entitled to payment from the

undersigned of all debts and liabilities hereby guaranteed; PROVIDED always that the undersigned (or any of them, if more than one hereunder) may determine his further liability under this continuing guarantee by thirty (30) days' notice in writing to you, and the liability hereunder of such undersigned shall continue until the expiration of thirty (30) days after the giving of such notice, and after the expiration of such notice such undersigned shall remain liable under this guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the customer on such sum or sums; if there is more than one undersigned hereunder, a notice by one undersigned under this clause shall not affect the liability of any other undersigned under this guarantee.

3. Upon this guarantee coming into your hands, the same shall be deemed to be finally executed and delivered by the person or persons signing the same and shall not be subject to or affected by any promise or condition affecting or limiting the (or and of the) undersigned's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this guarantee or has induced the making thereof or shall be deemed in any way to affect the liability of the undersigned or any of the undersigned hereunder.
4. No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on the Lender unless made in writing.
5. Until all indebtedness of the Customer to you has been paid in full, the undersigned shall not have any right of subrogation or to securities held by the Lender, unless expressly given the undersigned in writing.
6. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the debts and liabilities hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.
7. No change in the name, objects, share capital, business, membership, directors' powers, organization or management of the customer shall in any way affect the obligations of the undersigned either with respect to transactions occurring before or after any such change, it being understood that where the Customer is a partnership or corporation, this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of a corporate Customer, and notwithstanding any reorganization of a corporate Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.
8. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or

informally affected, or in excess of the powers of the Customer or of the directors, partners or agents thereof.

9. The undersigned shall have a continuing current liability to the Lender under this guarantee to the extent of the debts and liabilities of the Customer to the Lender from time to time, provided however that for the purpose of the Limitation of Actions Act of Alberta or any similar legislation, the undersigned shall not be in breach of this guarantee and no cause of action against the undersigned shall arise hereunder unless and until the Lender has served written demand upon the undersigned to pay or otherwise observe or perform his obligations under this guarantee and the undersigned has failed to do so promptly following service of such demand.
10. Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting any undersigned's liability to you, and until all indebtedness of the Customer to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the undersigned to you under this guarantee and to prove and rank for such sums paid by the undersigned and to receive the full amount of all dividends in respect thereto, all of the same being hereby assigned and transferred to you. The undersigned shall not be released from liability if recovery from the Customer, any other guarantor (including any other guarantor under this guarantee) or any other person becomes barred by any Statute of Limitations or is otherwise prevented.
11. The undersigned will file all claims against the Customer in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of the Customer to the undersigned and will assign to you all of the undersigned's rights thereunder. If the undersigned does not file any such claim, you, as attorney in fact of the undersigned, are hereby authorized to do so in the name of the undersigned or in your discretion to assign the claim to you or your nominee and cause proof of claim to be filed in your name or the name of your nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to you or your nominee the full amount payable on the claim in the proceeding before making any payment to the undersigned, and to the full extent necessary for that purpose the undersigned hereby assigns to you all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled. If the amount so paid is greater than the indebtedness of the Customer to you then outstanding, you are authorized to pay the amount of the excess to the person entitled thereto.
12. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the undersigned shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law. If you hold one or more other guarantees executed by the undersigned in respect of the Customer, the amount of the undersigned's liability under such other guarantee or guarantees shall be in addition to the undersigned's liability under this guarantee.

13. In case of default you may maintain an action upon this guarantee against the undersigned (or any one or more of the undersigned) whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the undersigned (or any one undersigned if more than one hereunder) or by any number of successive actions until and unless all debts and liabilities hereby guaranteed have been paid and each of the undersigned's obligations hereunder had been fully performed.
14. The undersigned shall pay to you on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyers fees as between solicitor and his own client on a full indemnity basis) incurred by you for the preparation, execution, perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each of such costs, charges and expenses until payment by the undersigned hereunder at a floating rate per annum equal to 3% above the prime lending rate established by Royal Bank of Canada from time to time.
15. Should any one or more provisions of this guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.
16. Any notice or demand which you may wish to give may be served on the undersigned either personally on him, or his legal personal representative or in the case of a corporation on any officer or director of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the undersigned may wish to give you shall be served personally on the Lender at the address specified on the first page of this guarantee.
17. This guarantee shall be construed in accordance with the Laws of the Province of Alberta and in any action thereon the undersigned shall be stopped from denying the same; any judgment recovered in the Courts of such Province against any undersigned or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them. The undersigned accepts and submits to the jurisdiction of the courts of the Province of Alberta in respect of this guarantee.
18. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing gender shall include the masculine, feminine and neuter gender, and any word importing a person shall include a corporation and a partnership and any entity, in each case as the context requires or permits.
19. This guarantee and agreement on the part of the undersigned shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the undersigned (jointly and severally if more than one hereunder) and on his (or on each of their) executors, administrators, legal personal representatives, successors and assigns.
20. POSTPONEMENT AND ASSIGNMENT OF CLAIMS: All indebtedness, present and future, of the Customer to the undersigned (and each of the undersigned if more than one) together with

each and every security therefore is hereby assigned to you and postponed to the present and future debts and liabilities of the Customer to you, and all monies received from the Customer or for its account by the undersigned shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's debts and other liabilities to you are fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned (or any of them if more than one) to you under this guarantee.

IN WITNESS WHEREOF the undersigned has executed this guarantee, this 18 day of JANUARY, 2021.

Email Address for Notice to the Guarantor:

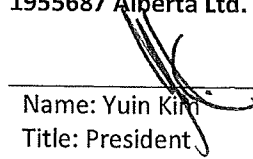
yvina@boerboer.ca

Address for Notice to the Guarantor:

1020 16 AVE NW CALGARY ALBERTA  
T2M0K5

1955687 Alberta Ltd.

Per:

  
Name: Yvina Kim

Title: President



**AFFIDAVIT OF EXECUTION**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument who, on the basis of identification shown to me, I do verily believe to be the person named therein, duly sign and execute the same for the purpose named therein.
2. That same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I reviewed the identification of \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
in the Province of \_\_\_\_\_ )  
Alberta, this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_ )

\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta

**AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY**

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an authorized signing officer of \_\_\_\_\_ named in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the \_\_\_\_\_ of \_\_\_\_\_ )  
in the Province of Alberta, )  
this \_\_\_\_ day of \_\_\_\_\_, 2021. )  
\_\_\_\_\_ )

\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**

A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**GUARANTEE DEMAND LETTER**



PITTMAN  
MacISAAC  
& ROY  
LAWYERS

Tel: 403.237.6566  
Fax: 403.237.6594  
Web: [www.pmlaw.ca](http://www.pmlaw.ca)

1400 North Tower, The Ampersand  
140 – 4<sup>th</sup> Avenue S.W.  
Calgary, Alberta, T2P 3N3

January 3, 2023

Sent Via Recorded Mail  
And email: [yuin@albertafinance.ca](mailto:yuin@albertafinance.ca)

**Shawna Nahal**  
Direct: 403-457-9603  
Email: [sn@pmlaw.ca](mailto:sn@pmlaw.ca)  
File: 410586

2310000 Alberta Ltd.  
1020 16<sup>th</sup> Avenue N.W.  
Calgary, Alberta T2M 0R5

Yuin Kim and 1955687 Alberta Ltd.  
1020 16<sup>th</sup> Avenue N.W.  
Calgary, Alberta T2M 0R5

Dear Sir,

**Re: Builders Capital Mortgage Corp. (the "Lender")**  
**Property Address: 1408 33<sup>rd</sup> Street S.W., Calgary, Alberta (the "Property")**  
**Borrower: 2310000 Alberta Ltd.**  
**Guarantors: Yuin Kim and 1955687 Alberta Ltd.**

Please be advised that we are the solicitors for the Lender pursuant to the security referred to in the attached Notice to Enforce Security which includes the Secured Promissory Note and Collateral Mortgage to the Promissory Note, both of which were executed by the Borrower on January 18, 2021 (collectively the obligations are the "Loan") with regard to the Property. We are writing to demand payment of the entire amount due under the Loan, inclusive of our legal account. We calculate the amount owing, as of this letter's date, under the Secured Promissory Note as follows:

Amount Due	\$793,683.96
Legal Account	\$ 900.00
<b>Total Amount Payable:</b>	<b><u>\$794,583.96</u></b>

This amount is payable immediately. In addition to this amount, a per diem interest charge of \$238.27 will be added to the amount payable.

Unless we receive a bank draft or money order payable to PITTMAN MacISAAC & ROY in the amount of **\$794,583.96** within ten (10) days from the date of this letter, we shall have no alternative but to commence foreclosure proceedings by issuing a Statement of Claim.

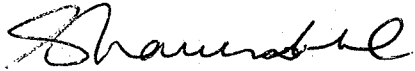
In addition to the Security, Yuin Kim and 1955687 Alberta Ltd. (the "Guarantors") provided continuing guarantees in writing of all of the obligations of the Borrower dated January 18, 2021 (the "Guarantees").

Under the Guarantees, it is required that a demand of payment of the sums due and owing under the Guarantees be made to the Guarantors at the address of such Guarantors last known to the Lender. Please consider this to be

a demand in accordance with the Guarantees. If the sum of \$794,583.96 plus the appropriate per diem amount, is not paid to the Lender by a payment to this office within 10 days, then legal proceedings to enforce the Guarantees may be taken without further notice to you.

Please govern yourself accordingly.

Sincerely,  
PMR LAW

A handwritten signature in black ink, appearing to read "Shawna Nahal", written in a cursive style.

SHAWNA NAHAL

**BANKRUPTCY AND INSOLVENCY ACT**  
(Form 86)

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Sub-Section 244(1))

TO: **2310000 Alberta Ltd., an insolvent person**

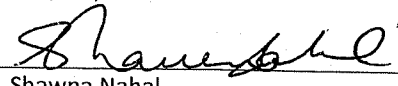
TAKE NOTICE THAT:

1. Builders Capital Mortgage Corp., a secured creditor intends to enforce its security registered on the insolvent person's property as described below:
  - a. Plan 2084GQ, Block 4, Lot 15, excepting thereout all mines and minerals and the right to work the same (collectively, the "Lands"); and
  - b. The rents and profits of the Lands;
- municipally located at 1408 33<sup>rd</sup> Street S.W., Calgary, Alberta, including, without limitation, all personal property, fixed or otherwise, of the insolvent located at the said Lands.
2. The Security that is to be enforced is in the form of the following:
  - a. A mortgage of the Lands dated January 18, 2021, which was registered as instrument no. 211 030 339 on February 3, 2021; and
  - b. An assignment of the rents and leases dated January 18, 2021 (the "Assignment"), which was registered against title to the Lands as instrument no. 211 030 340 on February 3, 2021.
3. The total amount of indebtedness secured by the security as of January 3, 2023 is **\$794,583.96.**
4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person(s) consent to an earlier enforcement.

DATED at Calgary, Alberta this 3<sup>rd</sup> day of January, 2023.

Builders Capital Mortgage Corp.  
by its solicitor  
PMR Law  
Barristers & Solicitors  
1400 The Ampersand  
140 - 4th Avenue S.W.  
Calgary, Alberta T2P 3N3  
Telephone: (403) 237-6566  
Fax: (403) 237-6594

Per:

  
Shawna Nahal

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT OF SANDY LOUTITT  
SWORN BEFORE ME THIS 22 DAY OF FEBRUARY, 2024.



---

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

**Shawna Nahal**

A Commissioner for Oaths in  
and for the Province of Alberta  
No Expiry Date

**STATEMENT OF SECURED INDEBTEDNESS**



260, 1414-8 Street SW  
Calgary, AB T2R 1J6

## Mortgage Statement

For the Period Jan 22, 2021 to Feb 20, 2024

Office: (403) 685-9888  
Fax: (403) 225-9470  
info@builderscapital.ca

**2310000 Alberta Ltd. c/o Yuin Kim**  
1020 16 Avenue NW Calgary, AB T2M 0K5  
Work: 403-862-5700

<b>Loan #:</b>	10210101	<b>Authorized Amount:</b>	\$750,000.00
<b>Term:</b>	1	<b>Registered Amount:</b>	\$750,000.00
<b>Interest Rate:</b>	12.95%	<b>Cumulative Interest:</b>	\$278,683.70
<b>Due Date:</b>	January 1, 2024	<b>Loan Balance:</b>	\$904,723.75
<b>Stmt Date:</b>	February 20, 2024		

### Properties

1408 33 Street SW Calgary, AB - Plan 2084GQ, Block 4, Lot 15

### Transactions

Date	Transaction Description	Trans. Amount	Interest	Balance
01/22/2021	Balance Forward			\$0.00
01/22/2021	Advance - Draw 1	\$723,750.00		
01/22/2021	Charge - Lender set up fee	\$26,250.00	\$0.00	\$750,000.00
01/25/2021	Charge - Legal Fee	\$2,357.67	\$672.24	\$753,029.91
02/04/2021	Payment - Payment	-\$6,843.75	\$2,252.21	\$748,438.37
03/08/2021	Payment - Payment	-\$6,843.75	\$7,186.71	\$748,781.33
04/01/2021	Payment - Payment	-\$6,843.75	\$5,386.06	\$747,323.63
05/03/2021	Payment - Payment	-\$6,843.75	\$7,176.01	\$747,655.89
07/27/2021	Payment - Payment	-\$6,843.75	\$19,221.70	\$760,033.84
08/03/2021	Payment - Payment	-\$6,843.75	\$1,590.49	\$754,780.58
09/01/2021	Payment - Payment	-\$6,843.75	\$6,565.20	\$754,502.03
10/04/2021	Payment - Payment	-\$6,843.75	\$7,472.46	\$755,130.74
11/10/2021	Payment - Payment	-\$6,843.75	\$8,390.21	\$756,677.20
12/09/2021	Payment - Payment	-\$6,843.75	\$6,581.70	\$756,415.14
01/12/2022	Payment - Payment	-\$6,843.75	\$7,719.57	\$757,290.96
02/01/2022	Charge - Extension Fee	\$4,444.00	\$4,536.68	\$766,271.64
02/09/2022	Payment - Payment	-\$6,843.75	\$1,832.90	\$761,260.79
03/04/2022	Payment - Payment	-\$6,843.50	\$5,246.88	\$759,664.17
04/01/2022	Charge - Extension Fee	\$2,681.15	\$6,378.87	\$768,724.19
05/01/2022	Charge - Extension Fee	\$2,714.75	\$6,918.09	\$778,357.03
06/01/2022	Charge - Extension Fee	\$2,749.59	\$7,239.35	\$788,345.97

**Builders Capital Mortgage Statement****Loan #:** 10210101

For the Period Jan 22, 2021 to Feb 20, 2024

Date	Transaction Description	Trans. Amount	Interest	Balance
06/02/2022	Payment - Payment	-\$6,843.75		
06/02/2022	Payment - Payment	-\$6,843.75	\$235.47	\$774,893.94
06/15/2022	Payment - Payment	-\$6,843.75	\$3,014.23	\$771,064.41
07/01/2022	Charge - Extension Fee	\$2,711.65	\$3,693.14	\$777,469.21
07/05/2022	Payment - Payment	-\$6,843.75	\$929.29	\$771,554.74
08/01/2022	Charge - Extension Fee	\$2,722.30	\$6,246.40	\$780,523.44
08/05/2022	Payment - Payment	-\$6,843.75	\$932.94	\$774,612.63
09/01/2022	Charge - Extension Fee	\$2,733.09	\$6,271.16	\$783,616.88
09/02/2022	Payment - Payment	-\$6,843.75	\$234.05	\$777,007.18
10/01/2022	Charge - Extension Fee	\$2,743.18	\$6,758.53	\$786,508.89
11/01/2022	Charge - Extension Fee	\$2,778.38		
11/01/2022	Payment - Payment	-\$6,843.75		
11/01/2022	Payment - Payment	-\$6,843.75	\$7,315.17	\$782,914.94
12/01/2022	Charge - Extension Fee	\$2,746.86	\$7,045.80	\$792,707.60
12/19/2022	Payment - Payment	-\$6,843.75	\$4,272.68	\$790,136.53
01/01/2023	Charge - Extension Fee	\$2,776.24	\$3,073.52	\$795,986.29
01/04/2023	Payment - Payment	-\$6,843.75	\$713.46	\$789,856.00
01/06/2023	Charge - Legal Fee	\$967.72		
01/06/2023	Charge - NSF Returned	\$6,850.75	\$471.91	\$798,146.38
01/13/2023	Payment - Payment	-\$6,843.75	\$1,670.25	\$792,972.88
02/01/2023	Payment - Payment	-\$6,843.75	\$4,512.24	\$790,641.37
02/03/2023	Charge - Forbearance Agreement	\$4,000.00	\$472.37	\$795,113.74
03/01/2023	Payment - Payment	-\$6,843.75	\$6,197.79	\$794,467.78
03/03/2023	Charge - Forbearance Agreement	\$4,000.00	\$474.66	\$798,942.44
04/01/2023	Charge - Forbearance Agreement	\$4,000.00	\$6,949.33	\$809,891.77
04/18/2023	Payment - Payment	-\$12,000.00	\$4,122.17	\$802,013.94
05/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$3,119.72	\$809,133.66
05/31/2023	Rate Change - Rate Changed from 10.95%	\$0.00	\$7,281.75	\$816,415.41
06/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$288.16	\$820,703.57
06/30/2023	Payment - Payment	-\$8,000.00	\$8,442.14	\$821,145.71
07/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$289.83	\$825,435.54
08/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$9,079.60	\$838,515.13
08/22/2023	Payment - Payment	-\$12,000.00	\$6,237.12	\$832,752.26
09/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$2,943.92	\$839,696.18
10/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$8,936.93	\$852,633.11
11/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$9,378.76	\$866,011.87
12/01/2023	Fee - Forbearance Agreement	\$4,000.00	\$9,217.01	\$879,228.88
02/20/2024	Ending Balance		\$25,494.87	\$904,723.75
		\$626,040.08	\$278,683.70	\$904,723.75