

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

OTERA CAPITAL INC.

DEFENDANTS

PLAZA 1000 LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Gowling WLG (Canada) LLP
421 7 Ave SW Suite 1600
Calgary, AB T2P 4K9
Attn: Sam Gabor
Ph. 1 403 298 1946
File No.: A170537

AFFIDAVIT OF JOCELYN DUFORT

Sworn on March 6, 2023

I, **JOCELYN DUFORT**, of the City of Montreal, in the Province of Quebec, **SWEAR AND SAY THAT:**

1. I am a Director Principal of Risk, for Otera Capital Inc. ("**Otera**"), the applicant creditor in these proceedings and, as such, have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief. Where that knowledge is based on information or belief, I have stated the source of that information and verily believe it to be true.
2. I have reviewed the business records of Otera relevant to Otera's application seeking the appointment of a receiver and manager over all of the current and future assets, undertakings and property of Plaza 1000 Ltd. ("**Plaza 1000**"), and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of Otera.
3. I have reviewed the business records maintained by Otera herein in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business. Where I do not have direct personal knowledge of matters deposed to herein, and my knowledge is derived from my review of the business records, I have attached relevant copies of those business records as exhibits to my Affidavit.
4. I am authorized by Otera to swear this Affidavit.

The Parties

5. Otera is a corporation incorporated pursuant to the laws of Quebec. Otera is extra-provincially registered in Alberta and carries on business in Alberta.
6. The Defendant Plaza 1000 is a corporation incorporated pursuant to the laws of Alberta and carries on business in Alberta. A copy of the Alberta Corporate Registration System Corporate/Non-Profit Search for Plaza 1000 is attached hereto, marked as **Exhibit "A"**.

Loan Facility

7. The records of Otera provide that pursuant to an Offer of Interim and Permanent First Mortgage Financing dated March 15, 2002, (the "**Initial Loan Agreement**"), which is attached hereto and marked as **Exhibit "B"**, CDPQ Mortgage Investment Corporation Inc. ("**CDPQ**"), the prior parent corporation of Otera, made available to Copez Properties Ltd. ("**Copez**") interim and permanent first mortgage financing for purpose of assisting Copez in the construction of a commercial office building municipally located at 1000, 7th avenue SW, Calgary, Alberta (the "**Property**"), and the lease-up of the Property. The credit facilities provided to Copez were as follows:
 - a) \$20,000,000.00 on a cost-to-complete basis, with interest at the Canadian dollar overnight right, plus 3.25% per annum;
 - b) \$1,575,000.00 upon substantial completion of the Property, with interest at the Canadian dollar overnight right, plus 3.25% per annum.(collectively the "**Loan Facilities**")
8. The records of Otera provide that on or around April 3, 2013, Plaza 1000 acquired legal title to the Property from Copez financed by a vendor take back mortgage in the amount of \$2,650,000 that is subordinate to Otera's first mortgage on the Property. Otera consented to the transfer of the Property from Copez to Plaza 1000.
9. The records of Otera provide that pursuant to an Offer to Extend Term of the Credit Facility dated March 27, 2013, which is attached hereto and marked as **Exhibit "C"** ("**Loan Extension Agreement**"), along with the Initial Loan Agreement, collectively the "**Loan Agreement**", Plaza 1000 replaced Copez as the borrower of the Loan Facilities and the loan was extended for a further 120 month term, maturing on April 1, 2023. In addition, the loan under the Initial Loan Agreement was amended from a construction loan into a term loan for the principal balance of \$16,870,508.28, plus interest at 4% per annum.
10. The records of Otera provide that pursuant to a Mortgage Assumption and Extension Agreement dated April 30, 2013 ("**Mortgage Assumption**"), between Plaza 1000 and CDPQ, which is attached hereto and marked as **Exhibit "D"**, Plaza 1000 agreed to assume all of Copez's obligations under the Loan Agreement as principal debtor.
11. On or around June 28, 2016, CDPQ, Otera and a related third entity, Hypotheques CDPQ Inc., amalgamated and continued on as Otera Capital Inc. Attached hereto and marked as **Exhibit "E"** are the French Certificate of Amalgamation and Otera's unofficial in-house translated version of same. As a result of the amalgamation, Otera became the lender under the Loan Agreement.

The Security

12. The records of Otera provide that in order to secure its obligations to Otera, Plaza 1000 provided Otera with the following original security:
- a) mortgage dated July 7, 2016 ("**Mortgage**"), which is attached hereto and marked as **Exhibit "F"**, granting Otera a mortgage in the principal amount of \$21,575,000 against the Property and the lands the Property is situated thereon, legally described as:
 - First
PLAN A1
BLOCK 36
THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24
EXCEPTING THEREOUT: (AS TO SURFACE)
PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22
 - Second
PLAN A1
BLOCK 36
LOTS 25 TO 32 INCLUSIVE
- (the "**Lands**")
- The maturity date under the Mortgage is March 31, 2023.
- b) a general assignment of rents and leases dated July 7, 2016 with respect to the Property ("**GALR**");
 - c) a security agreement dated July 7, 2016, granting an interest in all of Plaza 1000's present and after acquired personal property ("**GSA**", along with the Mortgage and GALR are the "**Security**");
13. The provisions of the Mortgage and GSA specifically empower Otera to appoint a receiver over the assets, undertaking and property of Plaza 1000 in the event of a default by Plaza 1000 thereunder.
14. The Mortgage and GSA further provide for, among other things, that Plaza 1000 is responsible for all fees (including legal fees and disbursements of Otera's solicitors), costs and expenses incurred by Otera in connection with the enforcement of the Mortgage and GSA.
15. Otera perfected its security interests pursuant to the Security by registrations in the Alberta Personal Property Registry ("**ABPPR**") and Alberta Land Titles Registry. Attached hereto and marked as **Exhibit "G"** are Alberta land titles searches for the Lands. Attached hereto and marked as **Exhibit "H"** is an ABPPR search for Plaza 1000.

Priority and Standstill Agreement

16. Pursuant to a Priority and Standstill Agreement dated July 7, 2016 (the "**Priority Agreement**"), between Otera, Plaza 1000 and 255848 Alberta Ltd. (the "**Subordinate Lender**") which is attached hereto and marked as **Exhibit "I"**, the Subordinate Lender agreed that the Mortgage would rank in priority to its subordinate mortgage. Furthermore, the Subordinate Lender agreed that in the event of default by Plaza 1000:
- a) all amounts owing to the Subordinate Lender must be paid directly to Otera;
 - b) the Subordinate Lender was not entitled to receive any funds from Plaza 1000; and
 - c) if the Subordinate Lender did receive any funds, it would hold said funds in trust for Otera.

Background and Current State of the Business

17. The records of Otera provide that Plaza 1000 currently acts as both the landlord of the Property and borrower of Otera under the Loan Agreement. The Property is currently approximately 30% occupied by tenants. Plaza 1000 entered into a lease agreement with the Government of Canada which is scheduled to commence in 2024. Certain tenant improvements are required as a condition under that lease and under other leases.
18. The records of Otera provide that in or around the beginning of February, 2023, Plaza 1000's account was transferred into Otera's special accounts group wherein I have had primary conduct of the file. The file was transferred after the principal of Plaza 1000, Mr. Robert Proud, on or around January 17, 2023, advised Otera's account manager then handling the file that Plaza 1000 intended on ceasing funding of Plaza 1000's operational shortfall.
19. On or around February 1 and 6, 2023, I was involved in two further discussions with Mr. Proud wherein he advised the following, among other things:
- a. He indicated that Plaza 1000 had entered into a lease surrender agreement ("**Lease Surrender Agreement**") with a tenant of the Property, Nova Chemicals Corporation ("**Nova**") with respect to Nova's lease dated April 10, 2002 (the "**Lease**");
 - b. He advised that he intended on handing over the Property to Otera by the end of March, 2023.
 - c. He confirmed that Plaza 1000 had received funds of approximately \$2.1MM under the lease surrender ("**Lease Surrender Funds**") and requested that the Lease Surrender Funds be used for certain tenant improvement inducements;
 - d. He confirmed that the ongoing net operating income for the Property was negative;
 - e. He advised that the shareholders of Plaza 1000 would not be willing to inject additional capital into Plaza 1000;
 - f. He indicated that substantial tenant's inducements estimated over \$800,000 had been already initiated and he was waiting for Otera's directions regarding tenant improvements and other renovations.
20. Otera did not consent to Plaza 1000 allowing a surrender of the Lease by Nova. Accordingly, Otera instructed its counsel Gowling WLG (Canada) LLP ("**Gowling**") to send a notice of default to Plaza 1000 dated February 2, 2023, advising that Plaza 1000 was in default under the Loan Agreement

and Mortgage for accepting a surrender of the Lease without Otera's consent. Gowling, on behalf of Otera, further demanded that all amounts required to be paid by Nova to Otera pursuant to the Lease Surrender Agreement be provided directly to Otera. Attached hereto and marked as **Exhibit "J"** is Gowling's default notice letter to Plaza 1000.

21. Gowling provided notice of the default to the Subordinate Lender. Attached hereto and marked as **Exhibit "K"** is Gowling's letter dated February 2, 2023 in this regard.
22. The records of Otera provide that on or around February 9, 2023, Otera received the signed Lease Surrender Agreement dated January 16, 2023, which is attached hereto and marked as **Exhibit "L"**.

Demands

23. Plaza 1000 is in default of the Loan Agreement and Security for, among other reasons:
 - a) failing to obtain written consent from Otera with respect to a Lease Surrendering Agreement;
 - b) permitting an act causing the termination of the Lease, and causing the rents provided therein to be diminished, impaired and terminated;
 - c) failing and refusing to provide Otera all amounts Plaza 1000 received from Nova in connection with the Lease Surrender Agreement;
 - d) advising Otera that it intends to hand over the Property to Otera prior to the April 1, 2023, maturity date under the Loan Agreement.
24. On February 21, 2023, Gowling, on behalf of Otera, demanded that Plaza 1000 repay its indebtedness owing to Otera and issued to Plaza 1000 a formal demand letter and Notice of Intention to Enforce Security under subsection 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 ("**NOI**"), which are attached hereto and marked as **Exhibit "M"**.
25. Gowling provided notice of the demands to the Subordinate Lender. Attached hereto and marked as **Exhibit "N"** is Gowling's letter dated February 22, 2023 in this regard.
26. On February 23, 2023, Plaza 1000 waived the ten (10) day notice period under the NOI, the written waiver of which is attached hereto and marked as **Exhibit "O"**.
27. I am advised by Sam Gabor of Gowling, that following February 21, 2023, the date of Gowling's demand letter and NOI, Gowling requested from the Borrower's counsel that the Lease Surrender Funds be paid directly to Otera, but as of the date of this affidavit, the Lease Surrender Funds have not been paid over to Otera.

Indebtedness Owing to Otera


28. Pursuant to Plaza 1000's respective obligations under the Loan Agreement, Plaza 1000 is indebted to Otera in an amount that, as of February 17, 2022, equals \$12,138,743.02, plus further accrued and accruing interest (4% per annum), costs and expenses (including legal costs on a solicitor and its own client, full indemnity basis) (the "**Indebtedness**") comprised as follows:

Loan	Principal	Outstanding Interest	Total	Per Diem
Outstanding Loan	\$12,121,569.06	\$22,826.60	\$12,144,395.66	\$1,431.16

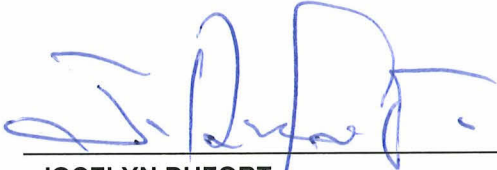
Appointment and Necessity of Receiver

29. Plaza 1000 intends to walk away from its ownership of the Property following the maturity date of the Loan Agreement on April 1, 2023 and the Property requires a receiver to act as landlord in the short term. It needs a receiver to:
- a) maintain the Property and its tenancies in order to sustain the value of the Property, and adequately reduce Otera's credit exposure, which is now increasing on a daily basis;
 - b) take control of the cash flow and rents arising from Property's tenancies;
 - c) review the operating expenses, budget and accounts payable for the Property's day-to-day operations;
 - d) review current capital expenditure and tenant improvement contracts to make determinations regarding such expenditures for current and upcoming leases for the Property;
 - e) determine appropriate work and contractors for other potential capital expenditures and tenant improvements;
 - f) get the Property ready for sale in order to maximize its value.
30. I verily believe that MNP Ltd., with offices in the City of Calgary, is qualified and prepared to act as receiver or receiver and manager of Plaza 1000.
31. I make this Affidavit in support of Otera's application for a receivership order in respect of Plaza 1000.

SWORN BEFORE ME at Montreal, Quebec,)
 this 6th day of March, 2023.)


 _____)
 A Commissioner of Oaths in and for the)
 Province of Québec and outside of Québec)




 _____)
JOCELYN DUFORT)

THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023

M. Rondeau

A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



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

Date of Search: 2023/02/02
 Time of Search: 10:14 AM
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
 Service Request Number: 39090526
 Customer Reference Number:

Corporate Access Number: 209523042
 Business Number: 873153910
 Legal Entity Name: PLAZA 1000 LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
952304 ALBERTA LTD.	2002/03/11

Legal Entity Status: Active
 Alberta Corporation Type: Named Alberta Corporation
 Registration Date: 2001/09/18 YYYY/MM/DD

Registered Office:

Street: 4300 BANKERS HALL WEST, 888 - 3RD STREET S.W.
 City: CALGARY
 Province: ALBERTA
 Postal Code: T2P5C5

Records Address:

Street: 4300 BANKERS HALL WEST, 888 - 3RD STREET S.W.
 City: CALGARY
 Province: ALBERTA
 Postal Code: T2P5C5

Email Address: ABREMINDERS@STIKEMAN.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CHATWIN	KEITH	R.	STIKEMAN ELLIOTT LLP	4300 BANKERS HALL WEST, 888 - 3RD STREET S.W.	CALGARY	ALBERTA	T2P5C5	ABREMINDERS@STIKEMAN.COM

Directors:

Last Name: CARSON
First Name: LORNE
Middle Name: W.
Street/Box Number: SUITE 2500, TRANSCANADA TOWER, 450 - 1ST STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P5H1
Stat Dec Director Notice Error: Y

Last Name: COHOS
First Name: PETER
Street/Box Number: 2411 - 10TH STREET S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2T3G7
Stat Dec Director Notice Error: Y

Last Name: PROUD
First Name: ROB
Street/Box Number: 130, 707 - 10TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R0B3
Stat Dec Director Notice Error: Y

Voting Shareholders:

Legal Entity Name: 635206 ALBERTA LTD.
Corporate Access Number: 206352064
Street: 130, 707 - 10TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R0B3
Percent Of Voting Shares: 40

Legal Entity Name: 635209 ALBERTA LTD.
Corporate Access Number: 206352098
Street: 3015 HAMPTON CRESCENT S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T3E4R1
Percent Of Voting Shares: 7.5

Legal Entity Name: COPEZ PROPERTIES LTD.
Corporate Access Number: 209672138
Street: 130, 707 - 10TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R0B3
Percent Of Voting Shares: 24.5

Legal Entity Name: KASAM INVESTMENTS LTD.
Corporate Access Number: 207652462
Street: 130, 707 - 10TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R0B3
Percent Of Voting Shares: 10.25

Legal Entity Name: STEBEN INVESTMENTS LTD.
Corporate Access Number: 207908930
Street: 130, 707 - 10TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R0B3
Percent Of Voting Shares: 10.25

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: ONE CLASS OF SHARES, TO BE DESIGNATED AS "COMMON SHARES", IN AN UNLIMITED NUMBER.

Share Transfers Restrictions: THE ATTACHED SCHEDULE OF RESTRICTIONS ON SHARE TRANSFERS IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE.

Business Restricted From: NONE.

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

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/09/12

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/09/18	Incorporate Alberta Corporation
2002/03/11	Name Change Alberta Corporation
2003/01/07	Change Director / Shareholder
2015/12/21	Change Address

2020/02/17	Update BN
2022/09/12	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2001/09/18
<u>Other Rules or Provisions</u>	ELECTRONIC	2001/09/18
Statutory Declaration Notice Error	10000899000009530	2003/01/07

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



THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023

M Rondeau

A Commissioner of Oaths in and for
the Province of Québec and outside of Québec





CDP
Mortgages

CDPQ Mortgage Corporation
Caisse de dépôt et placement du Québec
1981, avenue McGill College
Montréal (Québec) H3A 3C7
Tel. (514) 847-5900
Fax (514) 847-2397
www.cdpcapital.com

March 15, 2002

Mr. Robert J. Proud
Plaza 1000 Joint Venture
Suite 600, 999-8th St. S.W.
Calgary, Alberta
T2R 1J5

Re: Offer of Interim and Permanent First Mortgage Financing
Plaza 1000
1000 - 7th Avenue, SW, Calgary, Alberta
Our file : 01-0583

Dear Sirs:

We are pleased to inform you that, on the basis of the information and the documents supplied by you, CDPQ Mortgage Corporation (the "Lender") hereby submits to you this offer of Interim and Permanent First Mortgage Financing ("Commitment") in connection with the property hereinabove mentioned and more fully described in Section 3 below. Please note that this letter replaces our commitment issued March 12, 2002 which is now null and void:

1. BORROWER

Copez Properties Ltd. (the "Borrower").

During Construction, the Borrower covenants and agrees to satisfy all terms, conditions and requirements herein contained including the completion of the project.

Upon conversion to the Permanent Financing as outlined herein, the Borrower's liability to repay the principal amount shall be limited to Three Million Dollars (\$3,000,000.00) and shall remain in effect for the term of the mortgage.

2. PROPERTY

Civic Address: 1000 - 7th Avenue SW, Calgary, Alberta

Legal Description: A Leasehold Estate for 99 years in Plan A1 Calgary, Block Thirty-six(36). That portion of Lot Twenty-one (21) which lies to the North of the South Seven (7) Feet and to the West of the East Seven (7) Feet of the said Lot Twenty-one(21), and those portions of Lots to the North of the South Seven (7) Feet of the said Lots Twenty-two(22), Twenty-three (23), and Twenty-four (24) and;

Plan A1 Calgary, Block Thirty-six (36), Lots Twenty-five (25) to Thirty-two (32) inclusive.

(collectively the "Property");

3. PURPOSE

To provide interim and permanent first mortgage financing for purposes of assisting the Borrower in financing:

- (i) the construction of the proposed improvements in accordance with the Approved Plans (as hereinafter defined) on the Property (the "Project"); and
- (ii) the lease up of the Property.

4. APPROVED AMOUNT OF LOAN

The lesser of (i) the principal amount of Twenty-One Million, Five Hundred and Seventy-five Thousand Dollars (\$21,575,000.00) and seventy-five percent (75%) of the Lender's lending value as determined by the Lender's evaluation of a current appraisal report completed by an appraiser approved by the Lender (the "Loan").

The Loan shall be funded as follows:

- (i) Twenty Million Dollars (\$20,000,000.00) on a cost-to-complete basis in accordance with the Approved Plans (as hereinafter defined), as the work of development and construction of the Project contemplated by the Project Budget progresses, in advances of not less than Three Hundred Thousand Dollars (\$300,000.00) (such advances not to be made more often than once a month);
- (ii) One Million Five Hundred and Seventy Five Thousand Dollars (\$1,575,000.00) upon substantial completion as certified by the Project Inspector and lease-up with tenants in occupancy to provide net operating income from rentals sufficient to provide a minimum debt service coverage, as calculated by the Lender, of one point twenty-five (1.35) times.

5. INTERIM FINANCING

5.1 Interest Rate

The interest rate for the interim financing will be 3.25 percentage points per annum over the monthly CDOR Rate quoted daily at 11 a.m. eastern time, from time to time by Bloomberg. Such interest rate shall be set monthly on the first day of each month for such month and calculated daily and compounded monthly. In the event that Bloomberg does not quote a CDOR rate for the specified term on any date as herein provided for setting of interest rate, then the CDOR Rate shall be deemed to be the CDOR Rate last quoted by Bloomberg on the last open business day.

Interest shall be calculated daily on the daily balance, as well after as before maturity, default or judgment, from the date of each advance and compounded monthly. Such interest rate shall be determined upon the basis of a three hundred and sixty-five (365) day year, shall be calculated in accordance with the Lender's usual practice (as to times and methods of calculation) and shall be adjusted automatically without notice to the Borrower. Notwithstanding the above, the rate shall be reset on the first (1st) day of the month to the then applicable

monthly CDOR Rate, or if the first (1st) day of the month falls on a day when the CDOR Rate is not quoted, the previously open days operated rate.

5.2 Term

The term of this mortgage facility will be for a period of twelve (12) years.

Notwithstanding the above, the term for the interim financing shall not exceed twenty-four (24) months commencing from the date of the first advance of the Loan (the "Interim Loan Term") and ending on the earliest of a date selected by the Borrower a date which is twenty-four months after the first advance and the interest adjustment date as described below. The date on which the Interim Loan Term expires is sometimes referred to herein as the "Interim Loan Maturity Date".

5.3 Repayment and Monthly Mortgage Installments

Interest computed as provided in Subsection 6.1 above shall be payable monthly in arrears on the first (1st) day of each and every month throughout the Interim Loan Term, commencing with the first (1st) day of the month following the first advance of the Loan. Upon expiry of the Interim Loan Term, the principal of the Loan together with, interest and all other amounts due and owing by the Borrower to the Lender under the Security (as hereafter defined) shall become immediately due and payable unless the Borrower fulfills the requirements of this Commitment for the Permanent Loan financing, in which case, the term of the Loan shall be extended as provided in Subsection 6.2 below.

5.4 Method of Payment of Monthly Installments of Interest

It is understood and agreed that until an event of default occurs hereunder or under the Lender's security, interest will be compounded or at the Lender's option billed monthly up to an amount not to exceed the amount allocated as interest reserve within the Project Budget. Prompt monthly payment of interest after exhaustion of the interest reserve is the Borrower's responsibility. Failure to do so will constitute default under this Commitment.

6. **PERMANENT FINANCING**

In addition to providing the above mentioned interim financing the Lender hereby confirms, subject to the terms and conditions set out in this Commitment, that it is prepared on the Interim Maturity Date to arrange for the Loan to be converted into a permanent financing loan for the Project in the same amount of the then outstanding principal of the interim loan (the "Permanent Loan") on the following conditions:

6.1 Interest Rate:

The interest rate for the Permanent Loan will be set upon the interest adjustment date as referred to below and shall be based upon the then bid-side-yield non callable Government of Canada bond rate for the Extended Term (as hereinafter defined) plus a spread which shall be equal to the Lender's then posted current market spread for

As per e-mail
Dated 23/03/02

INSERT *

~~the two quoted
spreads which are
the closest in
amount shall be
averaged (or if one
quote is less than
one of the others
and more than
the other by the
same amount,
than all three
quoted spreads
shall be
averaged.)~~

~~R~~

commercial mortgage loans. In the event that the said posted rate is greater than the average of the current commercial mortgage spread as quoted by the combination of Sun Life Assurance Company, Great West Life Insurance Company, and Manulife Financial (the "Competitive Lenders") the Borrower shall have the privilege of repaying the mortgage in full without bonus or penalty. In the event that any of the Competitive Lenders are not able to provide a spread quote for any reason, the Borrower and the Lender, each acting reasonably will jointly decide on an alternative Competitive Lender for such quoting purposes. For purposes of calculating the average spread of the competitive Lenders, it is agreed that the ~~lowest of the three Competitive Lender's spreads will be dropped and the average will be derived from the remaining two.~~

The bid-side yield of any non-callable Government of Canada bonds shall be based upon the quotes provided by (a Bloomberg screen) at 11 a.m. (Montreal time) on the date on which the Interest Rate is to be fixed. The Borrower may fix the Interest Rate (by written notice to the Lender) at any time following the Lender's or the Lender's solicitor's delivery of written notice (the "Notice Delivery Date") confirming that the Lender's pre-funding conditions and requirements have been fully satisfied. If, for any reason whatsoever, the Interest Rate is not fixed on or prior to the tenth (10th) Business Day following the Notice Delivery Date, then it shall be fixed on the next following Business Day. Funding shall occur two (2) Business Days following the date on which the Interest Rate is fixed;

Should the final rate so selected above be greater than eight (8) percent, CDPQ will at its sole discretion have the option of either requiring that the said rate be bought down to eight (8) percent or, that the loan amount be reduced to a level such that all underwriting ratios remain unchanged as if the loan had been underwritten at eight (8) percent;

6.2 Extended Term:

The term for the permanent financing shall be for a minimum of Ten (10) years or greater depending on the determination of substantial completion of the project, or shall commence with the Interim Loan Maturity Date (the "Extended Term"). IN the event that the Borrower exercises its option to set an early interest adjustment date as mentioned below, the extended term shall be a combination of the remaining term for the construction portion of the loan plus Ten (10) years but in no event shall it exceed Twelve (12) years;

6.3 Interest Adjustment Date:

The interest adjustment date shall be set upon the first day of the month following substantial completion of the Project and the expiration of the lien period or at the Lender's option upon lease-up of the Project to the Lender's satisfaction.

Notwithstanding the above, and prior to the completion of construction, the Borrower will have the option of setting an earlier interest adjustment date by requesting that all remaining funds to be disbursed be deposited in an escrow account to be held in trust for the Borrower

by the Lender's lawyer. Blended monthly payments of interest and principal will commence immediate as outlined herein;

6.4 Escrow Account

In the event that the Borrower exercises its option to fix the interest adjustment date prior to substantial completion of the construction provided for in this commitment, all remaining unadvanced funds will be deposited into an interest bearing escrow account to be held in trust by the Lender's lawyer. Said escrow account will be assigned and indentured to the Lender as additional security for the loan. All interest shall accrue to the benefit of the Borrower. Future construction progress payments shall be funded from the said account subject to all the terms and conditions contained in this commitment;

6.5 Repayment Terms for Permanent Loan:

Repayment of the Permanent Loan shall be by way of blended monthly payments with the final interest rate being compounded semi-annually not in advance. Upon determination of the blended monthly payment for the Permanent Loan, the Borrower shall complete all required documentation requested by the Lender subscribing to a system of pre-authorized payments, allowing the automatic withdrawal of payments from its bank account;

6.6 Amortization:

The amortization period for the Permanent Loan shall be Twenty -Five (25) years from the interest adjustment date;

6.7 Mortgage Amending Agreement:

The Borrower acknowledges that it shall be necessary to execute a mortgage amending agreement to adjust the maturity date, the interest rate and such other matters once construction has been completed and the interest adjustment date is set;

6.8 Conditions Precedent:

The above mentioned agreement of the Lender to provide the Permanent Loan is conditional upon the Borrower not being in default under any of the terms and conditions of this Commitment and/or the mortgage documentation and security and provided that all other conditions set out in this Commitment have been fulfilled (other than the conditions precedent relating to those funds that are to be put into the escrow account as outlined herein; the conditions precedent required to be fulfilled hereunder for a first advance other than those set out in paragraphs 8.2.18, 8.2.19 and 8.2.20 hereof (which apply only to the interim loan) shall also be required conditions precedent for the Permanent Loan and as well as the following conditions must be fulfilled to the satisfaction of the Lender and its counsel:

- 6.8.1 the receipt by the Lender of an updated fully monumented "as built" survey of the Property prepared by a qualified Alberta Land Surveyor and addressed to the Lender, together with evidence of compliance with applicable land use by-laws.

6.8.2 A final inspection of the project carried out by the Lender to his entire satisfaction acting reasonably.

6.9 Reserve Fund for Realty Taxes:

The Borrower shall remit (by pre-authorized automatic debit) to the Lender on the first (1st) day of each month during the Term of the Loan, in addition to the above-mentioned monthly mortgage installments, a monthly installment for real property taxes, levies, assessments, improvement charges and other taxes affecting the property (collectively the "Real Property Taxes") in an amount determined from time to time by the Lender to be sufficient to allow the Lender to accumulate in such reserve fund, all amounts necessary for the full payment of all Real Property Taxes, on the date these taxes become due. The amount of the deposits will be adjusted (and the Borrower will make additional deposits as required by the Lender from time to time) so that the monthly deposits are at all times sufficient to pay the Real Property Taxes when such become due. All sums accumulated for the payment of Real Property Taxes, under this Section, shall form part of the Security held by the Lender and shall bear interest at a rate which shall not be lower than 50% Of the Bank of Canada Discount Rate as posted from time to time. The interest on such amounts shall be calculated periodically on the minimum monthly balance accumulated on behalf of the Borrower in such reserve fund and shall be credited to the Borrower at least once a year. So long as the Borrower is not in default, the Lender will apply the sums accumulated towards the payment of Real Property Taxes from time to time on such basis as the Lender deems appropriate.

The Lender shall not be responsible under any circumstances to fund shortfalls in the tax account.

6.10 No Prepayment Prior to Maturity: The Permanent Loan shall not be prepaid prior to the expiry of the Extended Term, in whole or in part.

6.11 Close Out Date: If substantial completion of the Project is not delivered by the First (1st) day of June, 2004, the Lender may, at its sole discretion, terminate any agreement to extend the term of the Loan and hence to provide permanent financing. In such event, the Loan shall become due and payable on the Interim Loan Maturity Date.

7. SECURITY

The following security for the Loan shall be granted in favour of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security"):

7.1 a first-ranking mortgage and charge, in the amount of Twenty-one Million, Five Hundred and Seventy Five Thousand Dollars (\$21,575,000.00) charging the Property;

7.2 a first-ranking general assignment of all present and future leases and offers to lease (such offers to lease and leases being hereinafter collectively referred to as the "leases" and the use of the word "lease" herein shall be deemed to include offer to lease) affecting the Property together with all rents payable under such leases and all insurance indemnities covering the said rents and of all income and accounts

derived from the Property including all proceeds receivable from early termination of any of the leases. The Lender may in addition, in its absolute discretion, require attornment and/or attornment and subordination agreements to be entered into by the tenants of any of the leases. Any security interest granted by a tenant in favour of the Borrower shall be assigned and transferred to and in favour of the Lender under the terms of the assignment of leases and rentals granted to the Lender;

- 7.3 first-ranking specific assignments of all leases for tenants occupying or to occupy more than Sixteen-Thousand square feet (16,000 ft²) of area and of all rents payable under such leases, of all insurance indemnities covering the said rents and of all income and accounts derived there from, including all proceeds received from early termination of such leases, together with tenant estoppel certificates for such tenants occupying more than Three Thousand (3,000) square feet in the form set forth in Schedule I hereof and, if required by the Lender, attornment and/or attornment and subordination agreements in respect thereof. The Lender shall be entitled to register the specific assignments of such leases and notices of each such lease shall be registered against title to the Property by the Borrower in such order as requested by the Lender;
- 7.4 a first-ranking security interest charging the property and undertaking of the Borrower related to or used in connection with the operation of the Property or which is necessary to the use and operation of the Property including, without limitation, building and construction plans, permits, construction contracts, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future of the Borrower;
- 7.5 a specific assignment of all the Borrower's right, title and interest in, to and under such contracts affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;
- 7.6 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters, confirming the good standing of such contracts and the rights of the Lender under its security;
- 7.7 such further and other security as legal counsel for the Lender may reasonably require;
- 7.8 acknowledgement of the status and terms of the ground lease and confirming the rights of the Lender in respect thereof under its security; if requested by the Lender, such acknowledgement shall be provided in a third party agreement in form and substance satisfactory to the Lender, to be entered into with the Lender, the ground lessor and the Borrower and which third party agreement shall, as a minimum, confirm the good standing and status of the ground lease, the obligations of the ground lessor and Borrower to advise the Lender of defaults with full rights of the Lender to remedy defaults or, at the option of the Lender, to enter into a new lease with the ground lessor maintaining the same

priority, the agreement of the ground lessor and the Borrower not to surrender, revise, alter, modify or amend the ground lease without the prior written consent of the Lender, and such other rights and matters as the Lender, acting reasonably, may require;

- 7.9 If required by the Lender, an insurance trust agreement to adequately protect the Lender's security in the proceeds of insurance.

8. ADVANCES AND CONDITIONS PRECEDENT

8.1 General

Subject to the other terms and conditions set forth in this Commitment, the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified herein.

8.2 First Advance Requirements

The first advance of the Loan is conditional upon the receipt by the Lender of the following documents, in form and substance, satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in Subsection 8.3 hereof and elsewhere, to the entire satisfaction of the Lender, acting reasonably:

- 8.2.1 the Security and any other documents relating to the Loan that are required or contemplated hereunder or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and registered and perfected, as the case may be and all approvals required by the Lender or its counsel shall have been given;
- 8.2.2 a favourable opinion of the Lender's counsel on the state of the title of the Property and of the property related thereto or used in connection with the operation thereof; such opinion shall confirm *inter alia* that the Borrower is the registered owner of the Property and such other property by good and valid title, free and clear of charges and encumbrances other than Permitted Encumbrances, that there are no adverse filings concerning the Borrower with any applicable governmental authority which could affect the Security and all other matters with respect to which such counsel is acting on the Lender's behalf;
- 8.2.3 a favourable opinion of the Borrower's counsel on the due incorporation, capacity and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of the Commitment and the Security and such other matters as the Lender or its counsel may reasonably require;
- 8.2.4 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;

- 8.2.5 receipt of a fully executed original copy of the Land Lease for the Property and favourable opinion report thereon prepared by the Lender's counsel;
- 8.2.6 evidence that the Borrower has complied with its obligations with respect to insurance as more fully set out herein, together with a favourable opinion of the Lender's insurance consultant on the adequacy of all insurance policies referred to and required to be maintained hereunder;
- 8.2.7 evidence that all taxes, rates, assessments and charges which may be levied or imposed against the Property and or the Borrower's business, including all utilities and other amounts capable of forming a charge against the Property, have been paid in full;
- 8.2.8 evidence that the Borrower has complied with all statutory requirements, for deductions at source and remittance to applicable fiscal authorities, including without limitation those under the *Income Tax Act* (Canada);
- 8.2.9 evidence that the net operating income of the Project, based on those executed leases in full force and effect and binding offers of lease which have been approved by the Lender including estimated parking and storage revenues will not be less than Two Million and Seventy-eight Thousand Dollars (\$2,078,000.00) per annum on a basis which respects the Project Budget;
- 8.2.10 evidence to the Lender's satisfaction that the total equity invested by the Borrower in the Project from its own monies is not less than Four Million Seven Hundred and Seventy-eight Thousand Dollars (\$4,778,000.00). For purposes of this commitment, the value of the existing parking garage will be factored into equity requirements;
- 8.2.11 an acceptable site and Project inspection shall have been completed on behalf of the Lender;
- 8.2.12 a favourable geotechnical report prepared by the Project's engineers addressed to the Lender attesting to the satisfactory nature of the soil condition to support the buildings contemplated for the Project; a copy of such report shall be forwarded by the Borrower to the Project Inspector for his review. For purposes of this commitment, the report prepared by Golder and Associates dated November 13, 1981;
- 8.2.13 evidence by way of an architect's certificate in form and content satisfactory to the Project Inspector and addressed to the Lender that the Project, as presently constructed and its contemplated development and construction as set out in the Approved Plans and according to the Project Budget, complies with all applicable construction, zoning and other governmental requirements;

- 8.2.14 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender addressed to the Lender or alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report, allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming to the satisfaction of the Lender that the Property complies with Environmental Laws (as defined herein). The Borrower hereby agrees to provide all information that it has with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender;
- 8.2.15 an appraisal and feasibility report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender or alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes;
- 8.2.16 all leases affecting the Property including without limitation those listed in Schedule J hereto (a rent roll in a form acceptable to the Lender and certified by the Borrower shall also be considered as acceptable), shall have been executed by the parties thereto and reviewed by and found satisfactory to the Lender and its counsel. In addition, tenant estoppel certificates for all tenants occupying or to occupy Three Thousand (3 000 sq.ft.) square feet or more, and attornment and subordination agreements from tenants as required by the Lender, shall have been executed by the required parties and found satisfactory to the Lender acting reasonably;
- 8.2.17 a favourable report from the Project's structural engineers, addressed to the Lender and attesting to the structural soundness of the existing improvements erected on the Property;
- 8.2.18 receipt of a detailed construction budget, including soft costs, in form, detail and content satisfactory to the Lender setting forth the cost to complete the Project ("Project Budget");
- 8.2.19 a favourable report on the Project Budget by an independent engineer or quantity surveyor ("Project Inspector") acceptable to the Lender certifying, to the satisfaction of the Lender, the adequacy of the Project Budget for the purpose of completing construction of the Project and such other matters as contemplated by Section 10 hereof;
- 8.2.20 final plans and specifications for the Project as approved by the municipality (the "Approved Plans") must be submitted to and approved by the Lender and verified against the

Project Budget by the Project Inspector and found satisfactory to the Lender acting reasonably;

- 8.2.21 a monthly construction schedule (the "Construction Schedule") and a cash flow projection for the Project which shall forecast the amount and timing of the draw requests must be submitted to and approved by the Lender acting reasonably;
- 8.2.22 the Lender has received and approved financial statements of the Borrower and prepared and reported upon by a recognized accounting firm for the most recent completed fiscal year;
- 8.2.23 the Lender shall have received satisfactory credit report and information on the Borrower;
- 8.2.24 no event shall have occurred and be continuing or would result from the making of such advance which constitutes an event of default or would constitute an event of default under this Commitment or any of the Lender's security, but for the requirement that notice be given or time elapse or both;
- 8.2.25 the Lender acting reasonably shall have reviewed and approved the Borrower's standard form lease agreement for the Project;
- 8.2.26 the Lender and its counsel shall have approved the Permitted Encumbrances and all contracts and documents affecting or with respect to the Property; and
- 8.2.27 all documents, reports and other information required to be delivered to the Lender pursuant to the provisions of this Commitment shall have been delivered within the time period stipulated therefore, and shall have been approved by the Lender or otherwise found acceptable to the Lender acting reasonably.

Notwithstanding anything contained herein, no advance shall be made by the Lender until it shall have been duly advised by its legal counsel that, having regard to all the circumstances, such advance should be made.

8.3 Additional Funding Conditions

As indicated above all advances of the interim financing shall be made on a cost to complete basis not more frequently than once a month. No advance of the interim financing shall be made until the receipt by the Lender at least three (3) business days prior to the date of each advance of the following documents, in form and substance satisfactory to the Lender acting reasonably and upon fulfillment by the Borrower of the following conditions precedent, to the entire satisfaction of the Lender acting reasonably:

8.3.1 From the Borrower

- (i) a written draw request in the form annexed hereto as Schedule L ("Draw Request") supported with invoices indicating the amount and to whom funds are to be disbursed and confirming *inter alia* that, based on latest estimates, the aggregate amount of the advance and the costs of completion, as itemized, are sufficient to effect completion of the Project pursuant to the Approved Plans, the unadvanced portion of the Loan will be sufficient to fully complete the Project and to retire all payables relating to the Project, the costs with respect to which advances pertain are properly incurred in accordance with the Project Budget and that all persons participating in the construction of the Project are in good standing and the Borrower is not in default in payment of any sums to any such parties;
- (ii) a Project expense summary outlining item, budget, cost to date, application of proceeds from the specific request and cost to complete. As indicated in Section 11 below, the Lender shall not be required to advance funds at any time if it is not satisfied that the undrawn portion of the Loan is sufficient to pay the cost to complete the Project in accordance with Approved Plans. In such event, the Borrower shall be required to pay such additional funds to the Lender to make the undrawn portion of the Loan equal to the cost to complete;
- (iii) billing statements, invoices, etc., from suppliers, architects, etc., to support non-major sub-contract items;
- (iv) a statutory declaration that all accounts due and payable in respect to the Project for the period thirty (30) days prior to the date of the billing statements have been paid and that the Borrower has received no notice of claim for lien;
- (v) ongoing inspection reports as per the Lender's norms from soil, structural, mechanical and electrical engineers as well as the Project architect. The Lender hereby retains the right to refuse to advance funds if at any time there is an adverse material change relating to environmental matters or risk to the Property;
- (vi) a certificate signed by one senior officer of the Borrower confirming the representations and warranties set out herein and in the security documents are true and correct as at the date of such advance as though made on that date.

8.3.2 From the Project Inspector

A certificate to the effect that:

- all construction work completed to date is in accordance with the Approved Plans and has been completed in a good and workmanlike manner;
- that construction work is progressing in accordance with the Construction Schedule;
- that portion of the Borrower's Draw Request covering direct construction costs represents work completed on the Project;
- the unadvanced portion of the proceeds of the Loan is sufficient to complete the Project.

8.3.3 From the Project Architect

A draw certificate confirming and setting out *inter alia* the completion of work to date and compliance with applicable laws, an accurate statement of account and the amount required to complete the Project.

Such draw certificate shall be substantially in the form annexed hereto as Schedule M ("Draw Certificate").

8.4 Other

- 8.4.1 an update of the opinion from the Lender's counsel, as of the date of each Draw Request, to the same effect as the opinion referred to in paragraph 8.2.2 above;
- 8.4.2 no event shall have occurred and be continuing or would result from the making of such advance which constitutes an event of default or would constitute an event of default but for the requirement that notice be given or time elapse or both;
- 8.4.3 all conditions precedent to the first advance to be made have been fulfilled to the satisfaction of the Lender, including without limitation, receipt and approval by the Lender acting reasonably of all new binding offers to lease and leases;
- 8.4.4 evidence that the Borrower has complied with all statutory requirements for deductions at source and remittance to applicable fiscal authorities, including without limitation, those under the *Income Tax Act* (Canada); and
- 8.4.5 such other documents and matters as the Lender may reasonably consider necessary or incidental to the foregoing Draw Request and Draw Certificate.

8.5 Holdback from Advance

The Lender shall be entitled to holdback from each advance funds to ensure there are sufficient funds to not only to meet statutory holdback requirements of the Borrower as owner pursuant to the *Construction Lien Act* (the "Act"), but also to ensure that the undrawn portion of the Loan is sufficient to fully complete the Project in accordance with Approved Plans.

8.6 Disbursement in Trust

The Borrower authorizes the Lender, upon fulfillment of all conditions for the disbursement of the proceeds of the Loan to the satisfaction of the Lender, to disburse the proceeds of the Loan to the Lender's counsel in trust, with instructions to disburse such proceeds in the manner and subject to the fulfillment of all conditions for the disbursement of the proceeds of the Loan, and the Borrower acknowledges that upon the disbursement to the Lender's counsel in trust as aforesaid such funds shall bear interest from the date of such disbursement.

8.7 Borrower's Segregated Account

The Borrower shall be required to maintain a segregated bank account to receive all advances made on account of the Loan. The Borrower acknowledges and agrees that the Lender's counsel shall only be required to advance proceeds of the Loan by depositing the same to such segregated bank account unless otherwise agreed to in writing by the Lender.

9. APPOINTMENT OF PROJECT INSPECTOR AND NON RESPONSIBILITY

9.1 The Lender shall employ at the expense of the Borrower the services of Cuthbert Smith as the Project Inspector to act on its behalf during the construction of the Project to complete monthly inspections for the purposes of certifying each monthly claim.

Prior to the first advance, the Project Inspector shall review the Approved Plans, the Project Budget, the Construction Schedule, all cash flow projections and any other relevant material related to the Project.

Based on the foregoing, the Project Inspector shall supply to the Lender, at the time of his initial Project Budget review, his written professional opinion with regard to the following:

- 9.1.1 completeness of the Approved Plans and Specifications;
- 9.1.2 compliance with building codes and zoning regulations and that all approvals, authorizations, permits and licenses for the development and construction of the Project to comply with all applicable zoning, development and construction by-laws, regulations and decrees of all authorities having jurisdiction have been obtained or will be issued, as and when required by law;
- 9.1.3 acceptance of design criteria;

- 9.1.4 adequacy of the structural, electrical, and mechanical systems;
 - 9.1.5 adequacy of the Project Budget;
 - 9.1.6 completion and acceptability of fixed price contracts covering the cost of all contractors, trades and suppliers. Said contracts shall include a provision for performance, material and labour bonding of not less than fifty percent (50%) of the stated contract amount. The acceptability of the said contracts shall be at Lender's sole discretion. The lender at its sole discretion may consider waving all bonding requirements depending on the strength of the General Contractor if applicable. It is understood that the Borrower intends to engage PCL-Maxam as the General Contractor for the project. Upon approval of the General Contractor and the contract by the Project Consultant, The Lender will consent to the waiving of all construction bonding requirements
 - 9.1.7 unless a General Contractor is used, adequacy of labour, material or performance bonds to be obtained from major sub-traders and suppliers as required by the Lender;
 - 9.1.8 acceptability of the survey, plot plan, environmental report and soil report; and
 - 9.1.9 other pertinent aspects which in the Project Inspector's opinion should be know to the Lender.
- 9.2 At least once a month the Project Inspector shall make a site inspection, and will submit a report (the "Monthly Report") to the Lender commenting upon:
- 9.2.1 the progress of construction;
 - 9.2.2 any deficiencies noted during the inspection;
 - 9.2.3 conformance with the Approved Plans for work in place;
 - 9.2.4 adherence to the Construction Schedule;
 - 9.2.5 other pertinent aspects of the Project, which, in the Project Inspector's opinion, should be known to the Lender;
 - 9.2.6 acceptability of the developer's soft cost budget as submitted and evaluate the reasonableness thereof.
- 9.3 For each advance, the Project Inspector shall certify that the general contractor's requisition for funds represents work completed on the Project less the required construction lien holdback for which payment has not been received; and that the work to be completed does not exceed the amount of the undisbursed portion of the loan.
- 9.4 The Project Inspector will request and review and the Borrower shall make available, actual cancelled cheques for costs paid on previous

Draw Requests and the Project Inspector shall report back to the Lender on status of payment to the various trades. This review is to take place every two to three months.

- 9.5 The expense of the Project Inspector's reports shall be paid by the Borrower and may be deducted by the Lender from the loan proceeds.

10. OTHER OBLIGATIONS OF THE BORROWER

- 10.1 During the Term of the Loan, the Borrower will:

- 10.1.1 request the Lender's approval to engineering and change notices in excess of Seventy-five Thousand Dollars (\$75,000);
- 10.1.2 promptly remove any encumbrance, lien or charge against the Project and in any event within seven (7) days of written notice by the Lender;
- 10.1.3 request funds solely for the Project;
- 10.1.4 allow the Lender and its Project Inspector to have access to the Project at all times;
- 10.1.5 acknowledge that Lender has the right to make payments directly to contractors and suppliers.

- 10.2 Upon substantial performance (as provided for and contemplated in the Act), the Borrower will obtain a certificate of substantial performance in prescribed form from the Project Architect and shall publish notice of substantial performance in a construction trade newspaper as required by the Act and shall supply the Project Inspector and the Lender with copies of the certificate and the publication.

Lien holdback releases will occur not less than forty-five (45) days after a certificate or declaration of substantial performance has been published. On projects, which are phased, the holdback releases occur not less than forty-five (45) days after substantial performance of the entire Project (all phases) unless the Borrower has let separate contracts for each phase.

- 10.3 Each and every obligation contained in this Commitment and to be performed, satisfied, or furnished by the Borrower, is a condition precedent to the Lender's obligation to advance or to continue to make advances. In the case of any advance, all conditions precedent pertaining to the advance must be performed or satisfied to the Lender's satisfaction not less than five (5) business days prior to the scheduled date of the advance or the Lender shall be under no obligation to make the advance or any further advances.

11. COST TO COMPLETE

The Lender shall not be required to make any advance unless prior to making such advance, the Lender is satisfied that the unadvanced portion of the Loan will be sufficient to pay the cost to complete the Project. Where insufficient unadvanced funds would remain, the Borrower shall be required to pay such

additional funds to the Lender as to make the unadvanced portion of the Loan equal to the cost to complete.

12. BUDGETED COSTS

Approval for the Loan is based upon projected budget costs as presented to and approved by the Lender in the Project Budget. Any material changes to these costs deemed to decrease the quality of the project may, at the Lender's option, render this Commitment null and void.

13. COST OVERRUNS

The Borrower agrees to inform the Lender of any cost overrun as compared with the approved Project Budget. All cost overruns will be funded by the Borrower at the time they are incurred unless approved by the Lender, at its sole option, to be funded from the contingency reserve in the Project Budget, but in any event on a monthly basis.

14. INTEREST RESERVE

The interest reserve portion of the Project Budget is calculated on the basis of interest commencing from the date of the first advance, and does not provide for interest carrying costs for the Project prior to that date. Such prior carrying costs will not be paid as part of the first advance, unless previously agreed upon in writing by the Lender, and will be the responsibility of the Borrower. The Lender reserves the right, at its sole discretion, to stop advancing from the interest reserve account in the event of any default under the terms of this Commitment or in the event of construction delays or cost overruns which are not rectified to the Borrower's satisfaction.

15. PROJECT EXPENSE STATEMENTS

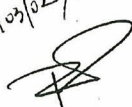
In the event that the Project Inspector is unable to reconcile the Project expense statements as provided by the Borrower, the Lender reserves the right to suspend further advances until the discrepancy has been resolved to the satisfaction of the Lender and the Project Inspector acting reasonably.

16. PARTIAL DISCHARGES

There shall be no partial discharges permitted. In the event that the final interest rate spread does not exceed the average spread of the Competitive Lenders plus ~~twenty five (25) basis points~~, the mortgage shall be considered as being closed to repayment.

17. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrower ten (10) days written notice of any abandonment and provided the Borrower fails to rectify same within the time allotted or within fifteen (15) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Lender's option.

As per E-mail
Dated 23/03/02


18. TITLE TO THE PROPERTY AND OTHER REQUIREMENTS

The Borrower shall be the owner of a good and marketable leasehold title to the Property. The Property and the property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances, with the exception of the Security provided for in this Commitment and Permitted Encumbrances, the whole to the complete satisfaction of legal counsel for the Lender acting reasonably. For the purposes hereof, "Permitted Encumbrances" shall mean the encumbrances listed in Schedule K to this Commitment.

All taxes, assessments, duties, utility charges and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.

The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to the appropriate taxation, municipal, utilities and other authorities an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether the authorities concerned have issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. This authorization shall remain in effect until the Loan has been fully repaid.

19. TITLE REPORT AND OTHER DOCUMENTS

19.1 The title report, Security and all other documents relating to the financing shall be prepared by **Mr. Roger I. Swainson of the law firm of Brownlee Fryett located at Commerce Place, 10155-102 Street, Suite 2200, in the City of Edmonton, Province of Alberta T5J 4G8 (Tel.: (780) 497-4800, which shall act on behalf of the Lender.**

Unless otherwise specified, as soon as possible after acceptance of this Commitment, the Borrower shall deliver to the aforementioned legal counsel the following documents (where applicable):

- 19.1.1 all title deeds;
- 19.1.2 within five (5) business days from the acceptance of this Commitment, copies of all contracts affecting the Property or relating thereto, including, without limitation, executed offer to lease or leases, standard offer and lease agreements and all information related to such leases;
- 19.1.3 required insurance policies;
- 19.1.4 evidence that the tax accounts have been duly paid;
- 19.1.5 certified copies of the Borrower's borrowing by-law and resolution authorizing this transaction;

- 19.1.6 certified copies of the articles of incorporation, certificate of incorporation, of status and/or of compliance of the Borrower;
- 19.1.7 within thirty (30) business days from the acceptance of this Commitment but prior to any advance an original up to date survey prepared by a duly qualified land surveyor; such survey must be in a form acceptable to the Lender's counsel; and
- 19.1.8 any other documents required hereunder and reasonably requested by legal counsel for the Lender.

All documents relating to this financing shall be prepared by the legal counsel for the Lender.

20. SURVEY

As indicated above the Borrower shall deliver to the Lender within thirty (30) business days following the date of acceptance hereof for its examination an up-to-date fully monumented survey of the Property prepared by a duly qualified ALBERTA Land Surveyor according to the standards of the Association of Alberta Land Surveyors showing, *inter alia*:

- 20.1 the boundaries and dimensions of the lands;
- 20.2 the location of all buildings and other improvements on the Property;
- 20.3 the names and municipal block numbers of adjacent streets;
- 20.4 the location of all registered easements, rights of way, etc.

Said survey shall be approved by the legal counsel for the Lender acting reasonably. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, three (3) original signed and sealed copies of the said survey. and immediately prior to each advance, a solemn declaration of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon other than the Project buildings under construction in accordance with the Approved Plans has been effected and no new construction has been erected by a neighbor along the boundaries of the land described therein

21. COMPLIANCE

The Property shall, prior to the date of each advance of the proceeds of the Loan, be in compliance with all applicable legislative and regulatory standards, and in particular but without limitation, those relating to zoning. No notice of non-compliance shall have been issued or delivered to the Borrower or any of its affiliates or agents, the property manager, any tenant or any lender in connection with the Property and no litigation or judicial or administrative proceeding affecting the Borrower or the Property shall be pending or threatened. The Borrower shall indemnify and save harmless the Lender from any loss or liability whatsoever arising from any violation whatsoever of any

law, regulation, ordinance, judgment, approval or decision including without limitation those in connection with hazardous materials or environmental risks.

22. LEASES

The Borrower hereby undertakes to provide forthwith to the Lender copies of all new binding offers to lease and leases and all information relating thereto, which are entered into following the acceptance of this Commitment. The Lender shall have no liability with respect to any rent owing by a tenant

The Borrower shall not, without the prior written consent of the Lender, which consent shall not be unreasonably withheld:

22.1 enter into or amend any lease affecting the Property of more than 16,000 square feet and shall not in any event enter into any lease in the following circumstances:

- (i) with a party not at arm's length from the Borrower; or
- (ii) which is not at prevailing market rental rates; or
- (iii) which would have the effect of decreasing the tenant's financial obligations under any lease or increasing the responsibility of the landlord thereunder; or
- (iv) which is not in accordance with a standard form of lease for the Property which has been approved by the Lender without any material modifications thereto; or
- (v) which would permit the use of premises for any use not in keeping with a high quality office building or which would materially adversely affect the market value of the Property; or
- (vi) which would commit the Lender to fulfill any obligations of the Borrower with respect to such lease should the Lender exercise any of its mortgage remedies in respect of the Property.

22.2 terminate or accept the surrender of any lease.

No rent under any lease may be paid more than one (1) month in advance.

Any security interest granted by a tenant in favour of the Borrower will be assigned and transferred to and in favour of the Lender under the terms of the assignment of leases and rentals granted to the Lender.

23. FINANCIAL STATEMENTS

The Borrower shall furnish, within one hundred and twenty (120) days following the end of the Borrower's fiscal year, to the Lender unaudited financial statements of the Borrower as well as with respect to the Property, which shall include a balance sheet, a detailed statement of income and expenditures, supporting notes and schedules and sufficient detail to cover the operation of the Project, prepared and reported upon by a recognized firm of chartered accountants in accordance with generally accepted accounting principles consistent with previous years and including all appropriate documents, explanatory notes and additional information. Notwithstanding the foregoing, in the event that an event of default has occurred under this

Commitment or any of the security given in connection herewith, the Lender may require such financial statements to be audited, the whole at the expense of the Borrower.

In addition, the Borrower shall supply to the Lender, from time to time, on its request (such request not to be unreasonably made) any other financial information pertaining to the Borrower including, without limitation, financial statements prepared as aforesaid.

On acceptance of this Commitment, the Borrower shall immediately supply to the Lender the most recent financial statements of the Borrower and with all interim financial statements up to that date.

24. SHARE CAPITAL OF THE BORROWER

The Borrower declares and represents that its authorized share capital is as follows:

Number of shares	Class	Shareholders
50%	Voting	Peter Cohos
50%	Voting	Rob Proud

The Borrower undertakes not to make any changes to the structure, allocation and ownership of its share capital, which would result in a party other than one controlled by Peter Cohos and Rob Proud obtaining voting control of the Borrower, without the prior written consent of the Lender. In the event the Borrower is in breach of the foregoing the Lender may, in its discretion, and without limitation to its other recourses, demand immediate repayment of the Loan in full together with accrued interest.

25. TRANSFER OF OWNERSHIP

The Borrower shall not sell, assign or otherwise dispose of the Property or of the property related thereto or which is necessary to the use and operation of the Property without the prior written consent of the Lender nor shall the Borrower permit the Property or such property to be mortgaged or charged in favour of another creditor without the prior written consent of the Lender. The Lender may require as one of the terms for giving consent that the purchaser shall execute an assumption agreement in favour of the Lender. In the event the Borrower is in breach of the foregoing, the Lender may, in its discretion, demand and without limitation to its other recourses immediate repayment of the Loan in full together with accrued interest.

26. SUBSEQUENT FINANCING

No financing subsequent to the Loan shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Property and the property used in connection therewith and shall not pledge, charge or otherwise encumber its interest in the Property nor such property to any party other than the Lender, without the prior written consent of the Lender. The Borrower will provide evidence, satisfactory to the Lender, as to the source of the Borrower's required equity in the Property.

27. CHANGE OF CONDITIONS

Should any material adverse change occur in the information supplied or in the financial stability of the Borrower and/or of any of the tenants over 16,000 square feet, of the Property and/or the property given as security which in the opinion of either the Lender or its counsel acting reasonably is likely to materially adversely affect the marketability of the Property, or the enforceability of the Lender's security, or have a material adverse impact upon the value of the Property or the security held or to be held by the Lender at any time prior to the final advance of the proceeds of the Loan, or should there be any action, suits or pending proceedings which in the opinion of the Lender acting reasonably may have a material adverse impact on the Borrower and/or the Covenantor and/or the Project or should any event have occurred which in the opinion of the Lender acting reasonably materially and adversely affects the value of the Property or any part thereof, or the financial position of the Borrower or of the Covenantor, the Lender shall be entitled to terminate its obligations under the terms of this Commitment and shall have the right to retain the Performance Deposit referred to below as liquidated damages. In such event, this Commitment will become null and of no further effect without further recourse by either party against the other.

28. INSURANCE

The Borrower shall obtain and maintain during the term of the Loan the following insurance coverage with respect to the Property and the property related thereto or used for its operation.

28.1 For Completed Properties**28.1.1 Fire Insurance:**

A fire insurance policy with extended coverage for all other risks and perils for an amount equal to one hundred percent (100%) of the gross replacement cost for the building erected on the Property, without deduction for foundation and footings; said policy shall *inter alia* provide for replacement cost endorsement, deletion from the policy of any provision requiring reconstruction on same or adjacent sites, coverage of direct and indirect damage resulting from leakage of fire protection equipment, an endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, and loss to be payable to the Lender as a first-ranking mortgage creditor in accordance with the IBC 3000 mortgage clause approved by the Insurance Bureau of Canada including, without limitation, that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive a thirty (30) day prior written notice of the same.

Such policy of insurance shall not contain a percentage co-insurance endorsement other than a one hundred percent (100%) stated amount co-insurance endorsement; and

28.1.2 Boiler and Machinery Insurance:

A broad form boiler insurance policy with coverage on all electrical and mechanical equipment, as well as all pressure vessels; such policy shall contain a rider with the standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters' Association, with proceeds payable to the Lender as first-ranking mortgage creditor and such policy shall provide *inter alia* for the same terms and conditions as set out in paragraph 28.1.1. above.

28.1.3 Liability Insurance:

A general liability insurance policy covering corporeal and material damages in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence. The Policy shall include limited pollution coverage.

28.1.4 Rental Insurance:

A rental income insurance policy for a period of indemnity of at least twenty-four (24) months for an amount equal to at least the greater of one hundred per cent (100%) of the actual or projected gross annual rents (or the net rentals plus the amount of the operating expenses from the Property) for a period of two (2) years.

29.2 For Properties Under Construction29.2.1 All Risks Builders Course of Construction:

All Risks Builders Course of Construction including flood and earthquake on:

- (i) one hundred percent (100%) of the estimated final construction cost of the Property, including reasonable soft costs;
- (ii) one hundred percent (100%) of the anticipated annual rents (assuming full occupancy) written on a delayed income basis.

The policy shall allow for partial or full occupancy.

All other terms and conditions shall apply as if there were a fire with extended coverage policy in force as described above in paragraph 28.1.1.

29.2.2 The liability coverage as described more fully in paragraph 28.1.3 above. However, if the construction cost is in excess of Ten Million Dollars (\$10,000,000), then a Wrap-up Liability is required with a limit of not less than Ten Million Dollars (\$10,000,000) and must include all contractors, subcontractors and trades.

29.2.3 Engineers' errors and omission insurance for at least Five Hundred Thousand Dollars (\$500,000) or such greater amount as Lender may reasonably require.

29.3 Additional Insurance

In addition to any of the forgoing, the Lender acting reasonably shall be entitled to request that the Borrower obtain any other insurance coverage it deems necessary, useful or appropriate.

The provisions relating to cancellation of the insurance policies or alteration clauses in the policies, including the mortgage clause, shall provide that a prior written notice of not less than thirty (30) days must in such event be given to the Lender.

All proceeds of insurance from insurance policies maintained other than liability insurance, shall be paid to the Lender and at the option of the Lender may either be applied on account of the Loan, whether or not the same may be due and payable, and interest thereon and any other sums payable in respect thereof, or held by it as part of the Lender's security and, so long as the Borrower is not in default, may be subject to withdrawal by the Borrower in installments on a cost to complete basis, as the repair or replacement progresses, subject to the Lender's receipt of appropriate certificates, opinions and other documents as required by it and Lender's counsel acting reasonably.

"Notwithstanding the provisions of the immediately preceding paragraph, but provided that the Lender and its counsel are satisfied that the proceeds of insurance shall be applied to rebuilding and are otherwise completely satisfied with the provisions of all arrangements made with the ground lessor and an insurance trustee in respect thereof, the proceeds payable under the policies referred to above other than liability insurance may be payable to the insurance trustee under and in accordance with an acceptable insurance trust agreement".

The Borrower shall provide to the Lender such evidence as the Lender may request that all of the above required insurance is in place prior to any advance of the Loan being made.

All required insurance policies shall be forwarded to the Lender's insurance expert at the following address for verification and approval, at the expense of the Borrower, prior to the disbursement of the first advance of the Loan and, in addition, if permanent financing is being provided hereunder, at the time of substantial completion of the Project:

In-Tech Risk Management Inc.
18th Floor
480 University Avenue
Toronto, Ontario
M5G 1V2

Attention: Ms. Lisa Speirs

Telephone: (416) 348-9111
Telecopier: (416) 348-9121

29. MANAGEMENT

The Property shall be managed by the Borrower, by a company affiliated with the Borrower or by a professional arm's length manager approved by the Lender. The Borrower shall not entrust the management of the Property to a person other than those mentioned above without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed. For the purposes hereof, "affiliated" shall have the same meaning as given thereto in the *Canadian Business Corporations Act*. The Lender acknowledges that the current manager is acceptable. No management fee in excess of market rates shall be payable to the manager of the Property without the prior written authorization of the Lender.

30. JOINT AND SEVERAL LIABILITY AND POWER OF ATTORNEY

If there is more than one Borrower, whether the Borrower comprises more than one undivided co-owner, more than one partner of a partnership, or in any other manner, and if there is any Covenantor such persons shall in all cases be jointly and severally liable for the fulfillment of all obligations contracted in favour of the Lender and they shall designate, by written power of attorney remitted to the Lender, an attorney duly authorized to receive for them and on their behalf all notices, letters or proceedings that may be sent by the Lender and also authorizing the attorney to act for them and on their behalf in connection with anything that may be required by them under the terms of this Commitment or the Security.

31. COSTS, FEES AND EXPENSES

The Borrower agrees to pay, regardless of whether any portion of the Loan is advanced, all costs, fees and expenses in connection with the transaction contemplated by this Commitment including, without limitation:

- 31.1 engineering, appraisal, credit information, inspection, architectural, insurance review and survey fees;
- 31.2 legal fees and disbursements of the Lender's solicitors; and
- 31.3 registration, recording and filing fees, taxes and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such costs and expenses may, at the option of the Lender, be deducted from any advance of the Loan.

32. PROCESSING FEE

A non-refundable processing fee in the amount of seventy-five (75) basis point of the principal amount of the Loan shall be payable by the Borrower and shall be withheld from the first (1st) advance of the Loan. The processing fee is not refundable under any circumstance except if the Lender refuses to advance the loan for any reason other than a failure by the Borrower to comply with the terms hereof.

33. ADDITIONAL FEES

All advances shall be subject to a processing fee of Five Hundred Dollars (\$500) for each advance made of the Loan. The Borrower shall be permitted

one (1) advance per month. If the Lender, in its sole discretion, agrees to make an advance in an amount less than the minimum amount per advance as specified in Section 4 above, an additional processing fee of Five Hundred Dollars (\$500) for any such advance so made shall be payable by the Borrower.

34. PERFORMANCE DEPOSIT

In consideration of the issuance of this Commitment, the Borrower has remitted, together with its loan application to the Lender, a Performance Deposit in the amount of Two Hundred and Fifteen Thousand and Seven Hundred and Fifty Dollars (\$215,750.00), in the form of an irrevocable letter of credit issued by a Schedule 1 Canadian chartered bank or other financial institution acceptable to the Lender, expiring on the twenty-first (21) day of January 2003 and payable on demand to the Lender at a Schedule 1 bank located in Montréal (the "Performance Deposit"). Save as otherwise provided for herein, such Performance Deposit shall be retained by the Lender until disbursement of the first (1st) advance of the Loan.

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment or if it does not fulfill the conditions for disbursement of the first (1st) advance of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, on or before the First (1st) day of June 2002, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes the same available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the said Performance Deposit as liquidated damages and in such event, this Commitment shall be null and of no further effect, without any further recourse by either party against the other. In addition, notwithstanding the forfeiture of the Performance Deposit, the Borrower shall remain liable and be required to pay and reimburse the Lender all reasonable valuation charges and legal fees and expenses incurred whether or not the Loan is proceeded with. The aforesaid agreements with respect to the Performance Deposit and the Borrower's obligation to pay and reimburse the abovementioned expenses is enforceable by the Lender notwithstanding the termination of this Commitment, each of such agreements having an independent existence from this Commitment.

35. BORROWER'S COVENANTS, WARRANTIES AND REPRESENTATIONS

The Borrower warrants and represents to the Lender that:

- 35.1 Title - the Borrower is the owner of a leasehold interest in the Property with good and marketable title. The Property and such other property related to or used for the operation of the Property is free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances except for Permitted Encumbrances;
- 35.2 Use and compliance - the Property is and shall be used for an office building and no other purpose and the present use and proposed use and development of the Project complies with and will continue to comply with all applicable building, zoning,

planning, development, environmental, occupation and use requirements and is not non-conforming;

- 35.3 Compliance with *Construction Lien Act*. - The Borrower covenants to comply in all relevant aspects with the provisions of the Act and to, without limitation, retain the statutory holdback required under the Act;
- 35.4 Disclosure - all information pertaining to the current and proposed use and viability of the Property and the Borrower's financial condition has been fully disclosed to the Lender. There is no legal action instituted, threatened or pending to the best of the Borrower's knowledge against the Borrower or the Property which has not been disclosed by the Borrower to the Lender in writing in connection with its application for the Loan and the Borrower has no notice of any work orders, deficiency notices or notices of violation pertaining to the Property. Existing improvements on the property have been built in accordance with plans and specifications approved by required governmental authorities and in a good and workmanlike manner and do not and never have contained UFFI, PCB's or asbestos in any form;
- 35.5 Environmental Matters - the Property and its existing and prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance and operation of the Property (collectively the "Environmental Laws") and, without limiting the generality of the foregoing:
- 35.5.1 to the best of the Borrower's knowledge the Property has never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise;
- 35.5.2 to the best of the Borrower's knowledge all hazardous substances used in connection with the business conducted at the Property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- 35.5.3 to the best of the Borrower's knowledge no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property as a result of the conduct of business on the Property; and
- 35.5.4 no notices of any violation of any matters referred to above relating to the Property or its use have been received by the Borrower and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Property nor is there any basis for such

lawsuits, claims, proceedings or investigations being instituted or filed.

For the purposes of this Commitment, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances, as defined in or pursuant to any applicable Environmental Law;

- 35.6 Tenant - each of the tenants which is or will occupy premises in the Property is or will occupy the same pursuant to an arm's length, executed, fully net lease, has or will paid rent as required under its respective lease, is not claiming any deduction or set-off from the rent payable and has or will not prepay more than one (1) month rent, is or will be in occupancy and open for business, has accepted its leased space and is or will be paying rent with no rent free periods; tenants which are not yet in occupancy of their respective premises have executed leases which are binding and enforceable in accordance with their terms and shall be required to take occupancy in accordance with the abovementioned criteria. It is understood and agreed to that Nova Corporation has been granted by the Borrower, a rent free period of six (6) months;
- 35.7 No Construction Liens - there are no construction liens outstanding;
- 35.8 Taxes and Other Charges – all taxes, assessments, duties, utility charges and other levies and charges affecting the Property, other than amounts which are not yet due and payable, have been paid in full.

The Borrower covenants and agrees with the Lender that it will provide or execute the documentation referred to in this Commitment and subsequently will accept the advance of the Loan and that all representations made by or on behalf of the Borrower to the Lender in connection with this Loan are deemed to be representations set out and contained in this Commitment.

It shall be an event of default under the Loan if any of the foregoing representations and warranties shall be false or misleading in any material respect as at the time given or at the time deemed to be given or repeated under any of the Security. In addition to its other recourses if such discrepancy or inaccuracy occurs prior to the final advance of the proceeds of the Loan the Lender shall be entitled to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds and to declare any monies thus advanced with interest to be forthwith due and payable. Further the Borrower shall indemnify and save harmless the Lender from any loss or liability whatsoever arising from any violation whatsoever of any law, regulation, ordinance, judgment, appraisal or decision in connection with hazardous risks or environmental risks.

36. SIGNAGE

Subject to compliance with requirements of applicable municipal by-laws, the Lender shall be entitled to place on the Property signage indicating the Lender's participation in the funding of the Project.

37. SCHEDULES

The following documents are attached as schedules to this Commitment and form a part hereof:

- Schedule A) Declaration regarding the absence of a conflict of interest;
- Schedule B) Letter authorizing the suppliers of electricity, natural gas, heating oil and other utilities to disclose to the Lender all information relating to the Borrower's accounts;
- Schedule C) Letter authorizing applicable municipalities to disclose and transmit to the Lender information relating to and copies of all tax accounts pertaining to the Property;
- Schedule D) Authorization and consent for information to be disclosed and inspections to be carried out by relevant governmental authorities concerning compliance of the Property;
- Schedule G) List of all equipment leases, conditional sales contracts and service contracts in connection with the property, equipment and services related to or used in the operation of the Property (the Lender reserves the right to ask for copies of any of the documents listed);
- Schedule H) Consent to a credit verification;
- Schedule I) Estoppel Certificate;
- Schedule J) Certified Rent Roll;
- Schedule K) Permitted Encumbrances;
- Schedule L) Draw Request;
- Schedule M) Draw Certificate.

38. APPLICABLE LAW

The terms and conditions of this Commitment as well as all other documents relating to the execution of the transactions provided for by this Commitment shall be governed by and interpreted in accordance with the laws of the Province of Alberta.

39. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.

The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such

obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

40. NON-MERGER

The Borrower's obligations as contained in this Commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this Commitment) shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of the mortgage and other security documentation shall be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict, the terms of this Commitment shall prevail.

41. AMENDMENT

The terms or requirements of this Commitment or any security may not be waived or varied orally, or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and the Borrower; provided, however, that the Lender may unilaterally extend the date for return of this Commitment or receipt of any documentation upon written notice to the Borrower.

42. NO ASSIGNMENT

This Commitment and the monies payable pursuant hereto are not assignable in any manner by the Borrower provided that the Borrower may assign the proceeds to PCL Maxim in the normal course of the construction..

43. MORTGAGE REGISTRATION

It is understood that neither the preparation nor the registration of any of the documents contemplated herein shall bind the Lender acting reasonably to advance the funds or any unadvanced portion thereof, it being agreed that the advance of funds or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

44. TIME

Time shall be of the essence of this Commitment and the agreement created by the acceptance thereof.

45. ENUREMENT

This Commitment shall enure to the benefit of and be binding upon the successors, administrators, benefactors and heirs of the Borrower, the Covenantor and the successors and assigns of the Lender.

46. EXAMINATION OF MAJOR AGREEMENTS

The Borrower represents and warrants that it has delivered to the Lender true, accurate and complete copies of major contracts relating to or affecting the

Property and/or the Borrower's ownership interest therein including, without limitation, copies of "the ground lease, the insurance trust agreement and all other agreements entered into with the ground lessor and of all amendments thereto. The Borrower acknowledges that notwithstanding the issuance of this Commitment, the Lender shall not be obliged to provide the Loan facility contemplated hereby if it is not satisfied with the terms and conditions of any of the aforesaid agreements, but may, in its sole discretion, terminate this Commitment, in which case, it shall be entitled to retain the Performance Deposit and this Commitment shall be null and of no further effect, without any further recourse by either party against the other.

47. SPECIAL PROVISIONS

Limited Recourse

Notwithstanding any other provision of this Commitment, upon conversion to the Permanent Loan, the Lender will have recourse solely to the interest of the Borrower in the Property described in or covered by the Security and all proceeds therefrom in whatever form and not to any other assets of the Borrower other than an amount not to exceed Three Million Dollars (\$3,000,000.00) Provided, however, that this Subsection shall not be construed to (i) prohibit or limit the exercise of any of the Lender's rights and remedies under or the enforcement of this Commitment Letter or the Security provided such remedies and enforcement shall be had solely against the Borrower's interest in the Property described in or covered by the Security and all proceeds there from in whatever form; (ii) discharge the indebtedness of the Borrower secured by the Security; (iii) prevent the Lender from commencing proceedings against the Borrower to the extent necessary to fully realize against the Borrower's interest in the Property described in or covered by the Security and all proceeds there from in whatever form; or (iv) to limit the recourses of the Lender to the interest of the Borrower in the Property described in or covered by the Security and all proceeds there from in whatever form in any manner in respect of any indemnity given relating to hazardous substances. Furthermore, in the event of damage caused by any fraudulent acts or fraudulent omissions of the Borrower the Lender shall have full recourse against all the property and the assets of the Borrower, in any such case.

48. LENDER'S ASSIGNMENT

The Lender shall have the right to assign in whole or in part the Loan and any and all of its rights pertaining thereto provided that the Lender or a company controlled by the Lender retains the administration and servicing of the file. The Lender agrees to give the Borrower notice of any such assignment. All costs related to such assignment shall be for the account of the Lender. The Lender agrees that if the mortgage is assigned to more than one lender, ~~one Lender~~ shall be appointed as attorney for such Lenders to deal with the Borrower. *CDAQ MORTGAGE CORPORATION*

49. NOTICE

Any notice given hereunder or pursuant hereto shall be in writing and may be delivered to the parties hereto personally, by service upon any officer of the party for whom it was intended, or by telecopier, or sent by prepaid registered or certified mail to the addresses set out above and any notice mailed as aforesaid shall be deemed to have been received on the fifth (5th) business day after the date of mailing (notwithstanding the date of actual receipt or the

As per email dated 2/3/02

fact that it may not have been received), except in the event of interruption of postal service, in which case such notice must be delivered or sent by telecopier. If sent by telecopier with confirmation of transmission, such notice shall be deemed to have been validly and effectively given and received on the business day next following the day it was received. Any party may give notice as aforesaid of a change of that party's address, in which event this Section shall apply with respect to the new address.

50. CONFIDENTIALITY

The Borrower acknowledges and agrees that the terms and conditions recited herein are confidential between the Borrower, r and the Lender. The Borrower agrees not to disclose the information contained herein to a third party other than to their financial advisors and solicitors on a confidential basis without the express consent of the Lender.

Notwithstanding the foregoing, the Lender reserves the right to disclose to third parties financial information acquired with respect to the Commitment provided that such right shall be limited and as may be required in order for the Lender to fulfill its rights and/or obligations under this Commitment or carry out its terms or to enforce its security or for mortgage securitization purposes.

51. DATES OF EXPIRY

- 51.1 The Security documents shall be executed and registered, as the case may be, prior to the First (1st) day of April 2002.
- 51.2 If on or before the First (1st) day of June 2002, the first advance of the proceeds of the Loan has not been disbursed, the Lender may at any time thereafter, in its sole discretion, terminate its obligations under the terms of this Commitment and/ or the Security and may retain the Performance Deposit (as hereinafter defined and mentioned herein), as liquidated damages.
- 51.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Security documents are to be executed and registered and/or the date by which the Loan is to be disbursed or any of the other time periods contained in this Commitment. Time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

52. INDEMNIFICATION

The Borrower hereby agrees to indemnify and save harmless the Lender, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the Security.

In addition to any liability imposed on the Borrower under any instrument evidencing or securing the Loan indebtedness, the Borrower shall be liable for

any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The Borrower shall be further bound by the representations, warranties and indemnity set out herein.

The representations, warranties, covenants and agreements of the Borrower set forth in this Section:

- 52.1 are separate and distinct obligations from the Borrower's other obligations;
- 52.2 survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefor;
- 52.3 are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- 52.4 shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

53. ENTIRE AGREEMENT

This Commitment together with its schedules and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the subject matter of this Commitment and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the Commitment provided for herein except as specifically set forth in this Commitment and the Application.

54. NO AGENCY

Notwithstanding anything herein provided, the parties hereto acknowledge that any agent, broker and/or consultant engaged with respect to or instrumental in negotiation and/or finalization of this Commitment letter shall at all times be deemed the agent of the Borrower and not the agent of the Lender, and no representations, statements or other acts of an consultant, agent, broker or other party involved in negotiation of this transaction shall be binding on the Lender unless specifically authorised in writing by the Lender.

55. TIME FOR ACCEPTANCE

This Commitment must be accepted and received by the Lender, no later than the Twenty-second (22nd) day of March 2002, failing which this Commitment shall become null and void without further notice.

CDPQ MORTGAGE CORPORATION

By: 
Kenneth A.W. Gordon
Vice President, Interim Financing

ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment on this eighteenth (18) day of March, 2002.

COPEZ PROPERTIES LTD.

By: 
Name
Title

SCHEDULE "A"
CONFLICT OF INTEREST DECLARATION

TO: CDPQ Mortgage Corporation

PROJECT: COPEZ PROPERTIES LTD.

File: 01-0583

Sirs:

I, _____, a duly authorized representative of the applicant, solemnly declare that:

1. I have taken cognizance of Articles 38 through 42, Division V of the Act *respecting the Caisse de dépôt et placement du Québec* (R.S.Q. Ch. C-2) (see attached for the text of these Articles);
2. nothing in the foregoing provisions of such Act prohibits the completion of the transaction between CDPQ Mortgage Corporation and the applicant referred to above.

I also declare that:

3. the applicant company is not involved in any litigation, judicial proceeding or government enquiry which has not been declared in the most recent financial statements submitted to CDPQ Mortgage Corporation, with the exception of:
4. the facts alleged in this declaration are true and accurate.

Signed at _____

this _____ day of _____ 20__.

Sworn or solemnly declared
(as the case may be) before me

at _____

this _____ day of _____ 20__ Authorized representative of the

_____ applicant

_____ Name of the applicant

Signature and title of the person

Address

receiving the oath or solemn declaration

SCHEDULE A

DIVISION V of the *Act Respecting the Caisse de dépôt et placement du Québec (R.S.Q. Ch. C-2)*

CONFLICTS OF INTEREST

Loans to members prohibited.	<p>38. The Fund shall not make a loan to a member of its board of directors or to any of its officers or to the spouse or child of any of them.</p> <p>-----</p> <p>1965 (1st sess.), c.23, s.34.</p> <p>39. The Fund shall not make a loan to any legal person of which a director is a member of the National Assembly, or acquire, hold or take as security any securities issued by any legal person.</p>
Exception.	<p>This Section shall not apply to the acquisition of shares and bonds of a legal person whose shares are listed on a recognized stock exchange.</p> <p>-----</p> <p>1965 (1st sess.), c.23, s.35; 1968, c.9, s.85, s.90; 1992, c.22, s.21.</p>
Certain financial transactions prohibited.	<p>40. The Fund shall not make any financial transaction with an enterprise to which any of its officers or employees, any member of its board of directors, or any member of the National Assembly is related.</p>
Related persons.	<p>For the purposes of this Section, the following shall be related persons:</p> <p>(a) individuals connected by blood relationship, marriage or adoption;</p> <p>(b) a partnership and an individual who is a member thereof or with whom one or more partners are so connected or by whom more than one-half of its available property has been advanced;</p> <p>(c) a legal person and an individual who directly or indirectly controls it or who holds more than one-half of its capital stock or who has provided it, by loan or otherwise, with more than one-half of the Property which it has available for its business;</p> <p>(d) legal persons directly or indirectly controlled by the same person or group of persons;</p> <p>(e) a legal person and a person who is one of several related persons by whom such legal person is directly or indirectly controlled.</p>
Blood relationship.	<p>For the purposes of this Section:</p> <p>(a) persons are connected by blood relationship if one is the descendant of the other, or is his brother or sister;</p> <p>(b) persons are connected by marriage if one is married to the other or to a person who is connected with the other by blood relationship or by adoption; and</p> <p>(c) persons are connected by adoption if one has been adopted, legally or <i>de facto</i>, and would be connected with the other by blood relationship if his filiation by adoption were filiation by blood.</p> <p>-----</p> <p>1965 (1st sess.), c.23, s.36; 1968, c.9, s.86, s.90; 1982, c. 17, s.29; 1992, c.22, s.22.</p>
Use of certain information prohibited.	<p>41. No officer or employee of the Fund, member of its board of directors, or person who performs services for it or is associated with its activities, shall make use, for trading in securities or carrying out any other financial transaction on his own account, of any information received respecting the operations of the Fund.</p>
Accessory provisions.	<p>The Fund may, by regulation, prescribe accessories or means of verification in order to ensure compliance with this Section.</p> <p>-----</p> <p>1965 (1st sess.), c.23, s.37.</p>
Information to Minister.	<p>42. Every member of the board of directors shall, at the time he assumes his duties and every year thereafter, forward to the Minister of Finance and to the board of directors a list of his interests in any legal persons and a list of such interests as his spouse may have together with a statement of all transactions which have changed such lists during the year.</p>
Officers.	<p>Every officer of the Fund shall be subject to this Section in cases provided for by the regulations of the Fund or on written application of the General Manager.</p>
Information privileged.	<p>Information furnished under this Section shall be privileged and no one shall communicate such information or allow it to be communicated by any person not legally entitled thereto.</p> <p>-----</p>

SCHEDULE "B"

(Date)

To suppliers of electricity, natural gas,
heating oil and other utilities

**RE: Copez Properties Ltd.
Plaza 1000
1000 – 7th Avenue SW, Calgary, Alberta
Mortgage loan from CDPQ Mortgage Corporation**

Sir:
Madam:

Copez Properties Ltd. authorizes all suppliers of electricity, natural gas, heating oil and other utilities to disclose to CDPQ Mortgage Corporation (or to any person authorized by it as its legal counsel, agent or manager) all information and documents with respect to the accounts for the property referred to above, including current accounts, arrears, installments made for total or partial payment of arrears and details concerning any arrangement which may eventually be made between the undersigned and said suppliers for payment of accounts or the rental of equipment.

This authorization is in regard to all accounts in the name of _____, as well as all other accounts actually in the name of any tenant of the said property and which may become payable by _____ by reason of the tenant ceasing to be in occupation or any special arrangement between said tenant and _____.

This authorization is valid during the period that CDPQ Mortgage Corporation is a mortgagee with respect to the said property.

You are authorized to accept a photocopy of the original of this letter as evidence of this authorization.

Thank you for your cooperation in this matter.

COPEZ PROPERTIES LTD.

By: _____
Name
Title

I have the authority to bind the Corporation

SCHEDULE "C"

(Date)

To the applicable municipal
and governmental authorities

**RE: Copez Properties Ltd.
Plaza 1000
1000 - 7th Avenue SW, Calgary, Alberta
Mortgage loan from CDPQ Mortgage Corporation**

Sir:
Madam:

Copez Properties Ltd. hereby authorizes the applicable authority to disclose to CDPQ Mortgage Corporation (or to any person mandated by it as its legal counsel, agent or manager) all information and documents with respect to accounts for real estate taxes, service taxes, local improvement rates or other statutory charges, liens or levies, if any, collectible in like manner as taxes, with respect to the property referred to above, including current accounts, arrears, installments made for total or partial payment of such arrears and details with respect to any agreement which may eventually be made between the undersigned and said authorities for payment of such account.

Moreover, the undersigned hereby authorizes said authorities to forward copies, prior to their due date, to CDPQ Mortgage Corporation, in its capacity as mortgage creditor and manager of my taxes, all such tax accounts.

This authorization shall remain valid during the period that CDPQ Mortgage Corporation is mortgage creditor with respect to the said property.

You are authorized to accept a photocopy of the original of this letter as evidence of this authorization.

Thank you for your cooperation in this matter.

COPEZ PROPERTIES LTD.

By: _____
Name
Title

I have authority to bind the Corporation

SCHEDULE "D"

**AUTHORIZATION AND CONSENT
RE: Governmental Authorities**

TO: WHOM IT MAY CONCERN

**RE: Copez Properties Ltd.
Plaza 1000
1000 – 7th Avenue SW, Calgary, Alberta
Mortgage loan from CDPQ Mortgage Corporation**

The undersigned, being the owner of the above-noted property hereby authorizes CDPQ Mortgage Corporation (or any person authorized by it as its legal counsel, agent or manager), to make such inquiries and request, such inspections of above-noted property and such information from records of inspections of the above-noted property as may be necessary to obtain confirmation that the property complies with all municipal and other governmental requirements and whether there are any outstanding work orders or requirements issued or pending by the building, fire, health, labour, environment or air pollution, departments or any other agency or authority having jurisdiction, requiring any repairs, work, charges, or additions to be made in or about the property or any part thereof.

The undersigned owner hereby consents to any inspection by any of the above-mentioned departments, agencies or authorities and further consents to the release of any information relating to the above-noted property to CDPQ Mortgage Corporation and such other persons referred to above, and this shall be your full and sufficient authority for so doing.

This authorization shall remain valid during the period that CDPQ Mortgage Corporation is mortgage creditor with respect to the said property.

You are authorized to accept a photocopy of the original of this letter as evidence of this authorization.

Thank you for your cooperation in this matter,

DATED this _____ day of _____, 20__.

COPEZ PROPERTIES LTD.

By: _____
Name
Title

I have authority to bind the Corporation

SCHEDULE "G"

_____, 20__.

CDPQ Mortgage Corporation

**RE: List of equipment leases, conditional sales contracts and
service contracts
Copez Properties Ltd.
Plaza 1000
1000 – 7th Avenue SW, Calgary, Alberta
Mortgage loan from CDPQ Mortgage Corporation**

Sir:
Madam:

Set out below is a list of equipment leases, conditional sales contracts chattel mortgages, security agreements and service contracts with respect to the various property, equipment and services related to or used in the operation of the above-mentioned property. At your request, we undertake to deliver to you forthwith a copy of said contracts.

(Equipment leases)

(Conditional sales contracts)

(Service contracts)

We certify that the lists herein above-mentioned are complete, save for _____
(list of exceptions, if any) _____, and that the
information and documents supplied or to be supplied to you by us are accurate.

COPEZ PROPERTIES LTD.

By: _____
Name
Title

I have the authority to bind the Corporation

SCHEDULE "H"

CONSENT TO CREDIT VERIFICATION

Copez Properties Ltd. hereby authorizes CDPQ Mortgage Corporation, its officers and employees to supply all information which the undersigned has given to it regarding my (its) financial situation to any representative of a financial institution or credit bureau requesting such information and to use such information to conduct or cause to be conducted any and all verifications which CDPQ Mortgage Corporation may deem appropriate with respect to my (its) financial situation and to make inquiries and collect and obtain such other information from any financial institution or credit bureau which CDPQ Mortgage Corporation may deem appropriate concerning my (its) financial situation.

All such information will be given for the sole purpose of analyzing a loan application or making a credit verification. Any refusal to supply information may result in the refusal of the loan application.

The undersigned further authorizes CDPQ Mortgage Corporation to share any such information with any agent mandated by it to carry out any such analysis.

This consent is valid for the entire term of the loan granted to me by CDPQ Mortgage Corporation.

A photocopy of the original of this document shall be evidence of my consent.

COPEZ PROPERTIES LTD.

By: _____
Name
Title

[if a corporation : I have the authority to bind the Corporation]

SCHEDULE "I"ESTOPPEL CERTIFICATE

TO : CDPQ Mortgage Corporation, and its solicitors, _____

PROJECT : Copez Properties Ltd. (the "Project")

RE : A certain lease of premises located at _____
 _____ containing approximately _____
 _____ square feet (the "Premises"), situated in the
 Project and municipally known as _____
 _____ (the "Property") and a certain
 mortgage form the Landlord in favour of CDPQ
 Mortgage Corporation (the "Mortgagee")

LANDLORD : _____

TENANT : _____

The undersigned, the Tenant under the above lease, hereby certifies, confirms and represents that:

1. The lease of the Premises from the Landlord to the undersigned dated the _____ (_____) day of _____, _____, (the "Lease") has been validly executed and delivered by the Tenant pursuant to due corporate action properly taken by the Tenant.
2. The undersigned is the Tenant of the Landlord pursuant to the Lease and as such, accepted possession of the entire Premises on or about the _____ (_____) day of _____, _____, and has continuously occupied the entire Premises and carried on its business therefrom to the date hereof.
3. The Lease is presently in full force and effect and unmodified.
4. The term of the Lease commenced on the _____ (_____) day of _____, _____, and expires on the _____ (_____) day of _____, _____, unless renewed or extended.
5. All of the Landlord's work to the Premises, which is the responsibility of the Landlord (if any), has been completed to the satisfaction of the undersigned and in accordance with the Landlord's obligations under the Lease (and any agreement to lease in respect thereto) and the Premises are satisfactory and as permitted and required by the Lease.
6. The Undersigned is now paying in full an annual basic rent, completely net of all operating costs and taxes, in the amount of _____ Dollars (\$ _____), and, in addition, percentage rent (if applicable), operating costs and taxes as and to the extent provided in the Lease; basic rent and percentage rent (if applicable) payable under the Lease has been paid to _____ (_____) day of _____, _____, the undersigned's share of operating costs and realty taxes payable under the Lease is _____ percent (_____%) thereof and has been paid throughout the term of the Lease to the _____ (_____) day of _____, _____, and there is no prepayment of any rent or security deposit standing to our credit, save and except for _____ Dollars (\$ _____) on account of _____.

7. There is no existing default either by the undersigned or, to our knowledge, the Landlord pursuant to the Lease for which a notice of default has been given.
8. The Tenant has no defenses, counter claims, or claims of offset, deduction, compensation or set-off, under the Lease or otherwise against rents or other charges due or to become due under the Lease. Furthermore, the Tenant does not have any contractual right or option to terminate this Lease prior to the expiry of the term other than as follows: [exceptions to be approved by Lender]
9. No rent under the Lease has been paid more than thirty (30) days in advance of its due date, save as otherwise indicated in 6 above.
10. There is no litigation or governmental or municipal proceeding commenced or pending or threatened against or by the undersigned with respect to the Premises or the Lease.
11. There are no allowances, incentives, inducements, benefit packages or any other monies owing or which may become due and owing to the undersigned at any time (however characterized) under the Lease, save and except for the amount of _____ Dollars (\$_____).
12. There is no agreement to lease or other lease or any other agreements, rights or obligations between the undersigned and the Landlord or any previous landlord, other than that contained in the Lease, pertaining to the Premises or the Lease.
13. The undersigned has received no notice of any assignment by the Landlord of the Lease or the rents thereunder. The undersigned has not assigned its interest in the Lease or sublet all or any part of the Premises. The Tenant has received no notice of attornment or direction or other notice from any creditor of the Landlord directing the Tenant to pay rents to such creditor.
14. The undersigned is at arm's length to the Landlord.
15. The undersigned acknowledges the assignment of either or both of the Lease and the rents which are or may become due and owing under the Lease, to the Mortgagee, and hereby waives further notice of such assignment and acknowledges that, until further notice from the Mortgagee, the undersigned shall continue to pay rent when due and payable, to the party stipulated in the Lease. The undersigned covenants and agrees with the Mortgagee, in consideration of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, that the undersigned will not prepay any rent whatsoever, other than as specifically permitted in the Lease, and, furthermore, that the undersigned will not amend the Lease or surrender the same or the Premises or any portion thereof, without the Mortgagee's prior written approval.
16. The undersigned acknowledges that the Mortgagee is proposing to make a mortgage loan to the Landlord in respect of the Property and that the Mortgagee, amongst other things, is relying on the contents of this certificate.

The Tenant hereby certifies and represents that the above statements, including any exceptions which may have been added thereto, are true and complete and may be relied and acted upon by the parties to whom this certificate is addressed.

DATED AT _____, this ____ day of _____ 20 ____.

(Tenant)

per: _____

I have the authority to bind the corporation

01-0583

SCHEDULE "J"
CERTIFIED RENT ROLL

01-0583

SCHEDULE "K"
PERMITTED ENCUMBRANCES

SCHEDULE "L"DRAW REQUEST

TO: CDPQ MORTGAGE CORPORATION (the "Lender")

PROJECT: Copez Properties Ltd.

LOCATION: Plaza 1000
1000 - 7th Avenue SW, Calgary, Alberta

FILE: 01-0583

ADVANCE NO.: _____

The undersigned _____ (the "Borrower") hereby requests from the Lender an advance in the amount of _____ Dollars (\$ _____) on the _____ (_____) day of _____, two thousand one (2001) pursuant to the terms of the charge/mortgage dated the _____ (_____) day of _____, two thousand one (2001), between the Borrower and the Lender (the "Mortgage Loan Agreement"). Unless the context otherwise requires, the capitalized terms used herein shall have the same meaning as such terms are defined by the Mortgage Loan Agreement.

The Borrower hereby represents, certifies and guarantees to the Bank as follows:

1. the contents of this certificate and each appendix hereto are accurate and complete in all respects;
2. no Event of Default has occurred or will result from the advance requested by the Borrower pursuant to this request (or would occur but for the requirement that time elapse or notice be given or both);
3. appendix "A" hereto contains an accurate representation in respect of the Project expenses referred to therein (paid and unpaid), of the amount budgeted for each such expense in the Project Budget, its costs to date, including a breakdown between hard and soft costs, as compared to the Project Budget, the amount to be advanced pursuant to this request which is to be applied to such expense, the holdback related to each such expense and the cost to complete the Project with respect to such expense;
4. the full amount requested hereunder is required by the Borrower to pay, and shall be used by the Borrower, to pay for services actually rendered and for materials actually required and affixed to and incorporated into the Project in connection with the construction of the Project pursuant to the Mortgage Loan Agreement, the costs of which services and materials are reflected in the billing statements, vouchers and/or invoices from each supplier, contractor or subcontractor which has billed the Borrower in respect of the Project (copies of which statements, vouchers and/or invoices are attached hereto) and each contractor has executed the form of certificate annexed as appendix "C";
5. the aggregate amount of this advance and the costs of completion of all items of expenses set out in appendix "A" are sufficient to effect completion of the Project pursuant to the Approved Plans and to pay for all labour, material and other expenses in connection therewith;
6. all contractors, sub-contractors, suppliers of material, suppliers of services and other persons participating in the construction of the Project are in good standing and the Borrower is not in default in the payment of any sums to such parties or fulfillment of any of its obligations with respect thereto;

01-0583

7. as of the date hereof, there remain sufficient funds undrawn under the Loan of CDPQ to defray all costs required to complete the Project in accordance with the Approved Plans and the Project Budget;
8. all funds previously advanced by the Lender to the Borrower under the Loan have been utilized by the Borrower to pay for all costs incurred with respect to the development and construction of the Project [other than the sum of _____ Dollars (\$ _____) which was used to finance the purchase of the Property;
9. the work of construction of the Project is being effected in accordance with the Construction Schedule approved by the Lender; and
10. there has occurred no change in any part of the Project Budget, except those set forth in appendix "B" annexed hereto.

DATED, the _____ (_____) day of _____, two thousand one (2001).

COPEZ PROPERTIES LTD.

By: _____
Name
Title

**APPENDIX "A" TO SCHEDULE "L": DRAW REQUEST
DATED THE _____ DAY OF _____ 2001**

Expenses (hard/soft cost)	Budget (as may be revised)	Paid	Invoiced/Not Paid	Holdback to Date	Costs to Date	Application of Proceeds from this Request	Cost to Complete
Total:							

COPEZ PROPERTIES LTD.

By: _____
Name
Title

01-0583

APPENDIX "B"
CHANGES IN BUDGET

APPENDIX "C"

CONTRACTOR'S CERTIFICATE

TO: _____

RE: _____

In accordance with our construction contract with _____, we confirm we are entitled to receive payment of the sum of _____ Dollars (\$ _____) and certify that our invoice and summary of construction items attached hereto is true, complete and accurate and that the work and services covered by this certificate have been completed in accordance with our construction contract, that all items shown on previous requests for advances, if any, and on which payments have been received from the Borrower to ourselves have now been paid to all applicable parties and that in respect thereof, there is no outstanding indebtedness to ourselves or to any of our subcontractors and suppliers of material or other persons engaged by ourselves, save and except _____.

Per: _____

SCHEDULE "M"DRAW CERTIFICATE

TO: CDPQ MORTGAGE CORPORATION (the "Lender")

PROJECT: Copez Properties Ltd.

LOCATION: Plaza 1000
1000 - 7th Avenue SW, Calgary, Alberta

FILE: 01-0583

ADVANCE NO.: _____

In connection with the construction of the aforesaid Project, we hereby certify that as of the date hereof, and to the best of our knowledge and belief, after having made all inquiries and calculations that:

- all construction work done and the materials incorporated in the Project to the date hereof are in accordance with the Approved Plans previously approved by the Lender and with the Project Budget previously submitted to and approved by the Lender and all such construction work complies with all applicable governmental regulations and requirements;
- the following is accurate and complete as of the date hereof:

Statement of account:		\$
Original amount of the Construction Cost of Project:		\$
Additions to date:		\$
Deductions to date:		\$

Adjusted amount of the Construction Cost of Project:		\$
Value of work completed to date for Construction Cost of Project:	\$	
Less 10% holdbacks:	\$	

Holdbacks retained:	\$	\$

Amount authorized for Construction Cost of Project to date:		\$
Less total amount authorized by previous draw certificates:		\$

Aggregate amount recommended by this certificate:		\$

- the value of construction work remaining to be effected to complete the Project in accordance with the Approved Plans is in the amount of _____ Dollars (\$ _____).

DATED and SIGNED in the City of _____, Province of _____, this _____
_____ (____) day of _____, two thousand one (2002).

■, Architect

Tino Masecchia

2002/03/22 17:05

Pour : rproud@tonko.com
cc : Kenneth Gordon/Mtl/CDPQ@CDPQ, rjmcdiarmid@montrosemortgage.com

Objet : Plaza 1000

Rob,

Following your letter and amendments dates March 18th, 2002 we wish to advise you that the following has been approved:

Art. 6.1 - Will remain as in our letter of March 15

Art. 16 - We accept your review but we made some changes to clarify it, therefore it should read as follows:

There shall be no partial *or full* discharges permitted, ***unless the interim loan is not converted to long term as per clause 6.1.*** (the rest is not changed saved the deletion you made on the third line.

Art. 48 - We accept your changes and confirm that CDP shall service the loan

The final offer with it's changes will follow by courier.

Yours truly

Tino Masecchia
Vice President
Mortgage Investments, Canada
Phone: 514-847-2372
Fax: 514-847-2397

-----AVIS IMPORTANT----- Le présent message n'est destiné qu'à la personne ou à l'entité à qui il est adressé et peut contenir des renseignements de nature privilégiée et confidentielle qui ne doivent pas être divulgués en vertu des lois applicables. Si vous avez reçu cette communication par erreur, veuillez aviser l'expéditeur IMMÉDIATEMENT. Toute diffusion, distribution ou reproduction de cette communication est strictement INTERDITE. Merci.
-----IMPORTANT NOTICE----- This e-mail communication is confidential and legally privileged. If you are not the intended recipient, please notify me at the telephone number shown above or by return e-mail and DELETE this communication and any copy IMMEDIATELY. Thank you.

Tino Masecchia

2002/03/23 11:35

Pour : Kenneth Gordon/Mtl/CDPQ@CDPQ
cc : rjmcidiarmid@montrosemortgage.com

Objet : RE: Plaza 1000

----- Envoyée par Tino Masecchia/Mtl/CDPQ le 2002/03/23 11:36 -----



Rob Proud <Rproud@TONKO.com> le 2002/03/22 17:24:04

Pour : "'Tino Masecchia'" <tmasecchia@cdpcapital.com>
cc : Peter Cohos <Pcohos@TONKO.com>

Objet : RE: Plaza 1000

Agreed. Lets get the documents done. I am away next week but Peter will
initial the documents.

-----Original Message-----

From: Tino Masecchia [mailto:tmasecchia@cdpcapital.com]
Sent: Friday, March 22, 2002 3:05 PM
To: rproud@tonko.com
Cc: Kenneth Gordon; rjmcidiarmid@montrosemortgage.com
Subject: Plaza 1000

Rob,

Following your letter and amendments dates March 18th, 2002 we wish to
advise you that the following has been approved:

Art. 6.1 - Will remain as in our letter of March 15

Art. 16 - We accept your review but we made some changes to clarify it,
therefore it should read as follows:
There shall be no partial or full discharges permitted, unless the interim
loan is not converted to long term as per clause 6.1. (the rest is not
changed saved the deletion you made on the third line.

Art. 48 - We accept your changes and confirm that CDP shall service the
loan

The final offer with it's changes will follow by courier.

Yours truly

Tino Masecchia

THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023

M. Rondeau

A Commissioner of Oaths in and for
the Province of Québec and outside of Québec





Otéra

Caisse de dépôt et placement
du Québec

413, rue St-Jacques
Bureau 700
Montréal QC H2Y 1N9
Tél. 514 847-5900
Télec. 514 847-2397
www.oteracapital.com

March 27, 2013

Plaza 1000 Ltd.
c/o Triovest
707 10th Avenue SW, Suite 300
Calgary, AB T2R 0B3

Attention: Lynne Kovacs

SUBJECT : OFFER TO EXTEND TERM

Borrower: Plaza 1000 Ltd.
Property: Plaza 1000, 1000 - 7th Avenue SA, Calgary Alberta
Lender: CDPQ Mortgage Investment Corporation
Our file: 2001-0583-00

Dear Sir:

Otéra Capital inc. is authorized to bind the above named Lender. Please find attached a copy of our Offer to Extend Term pertaining to the above mentioned loan (the "Offer").

Kindly acknowledge your acceptance of the terms and conditions of the Offer by executing and returning one original copy of the Offer to the Lender, on or before April 2, 2013.

If you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

Roy Lall
Director, Real Estate Lending
P - 416-956-0152
F - 416-360-8709
E-rlall@oteracapital.com



413, St-Jacques Street
Suite 700
Montréal QC H2Y 1N9
Tel: 514 847-5900
Fax: 514 847-2397
www.otercapital.com

March 27, 2013

Plaza 1000 Ltd.
c/o Trioinvest
707 10th Avenue SW, Suite 300
Calgary, AB T2R 0B3

Attention: Lynne Kovacs

SUBJECT: OFFER TO EXTEND TERM
Borrower: Plaza 1000 Ltd.
Property: Plaza 1000, 1000- 7th Avenue SA, Calgary Alberta
Lender: CDPQ Mortgage Investment Corporation¹
Our file: 2001-0583

Dear Sir:

Otéra Capital inc. is authorized to bind the above named Lender.

The loan granted to Copez Properties Ltd. ("Copez") pursuant to a Commitment Letter dated March 15, 2002, amended from time to time (the "**Loan**"), and secured under the terms of the Mortgage registered in the Land Title Office of North Alberta Land Registration District on May 21, 2002, as Instrument Number 021 170 875, as amended and other Security Documents (the "**Mortgage**"), the Mortgage will come to maturity on April 1, 2013.

The estimated Principal Balance of the Loan on April 1, 2013, is \$16,870,508.28

We are pleased to inform you that, on the basis of the information and the documents you have submitted to us and subject to the provisions, terms and conditions set forth herein, CDPQ Mortgage Investment Corporation (the "**Lender**") has approved your application for the Loan extension of Term (hereafter defined) to the Borrower as noted herein.

1. **BORROWER**

Plaza 1000 Ltd. (the "**Borrower**")

The Borrower will provide an unlimited indemnity to the Lender with respect to the Recourse Exception as noted below.

Recourse Exceptions shall be defined as:

- (a) all liability arising, directly or indirectly, in connection with Property environmental matters, including the presence on, under, at the Property, or migrating from the Property to another property, of hazardous substances as described herein (notwithstanding the date on which such liability arose) including, without limitation, all relevant obligations and provisions contained in this Offer to Extend Term and in the Security;
- (b) all liability in connection with Property realty taxes including, without limitation, arrears, interest and penalties;
- (c) all liability arising from the Borrower's failure to remit Property funds collected by them (including, without limitation, rents and other amounts received from Tenants) to the Lender, provided that it was obligated to so remit;
- (d) and all liability arising from all acts of fraud, misrepresentation, wilful misconduct and/or gross negligence committed by the Borrower and from persons for whom they are liable at law, in connection, directly and/or indirectly, with the Property or the personal property.

2. **BENEFICIAL OWNER**

NOT APPLICABLE

3. **GUARANTOR**

NOT APPLICABLE

4. **PRINCIPAL BALANCE**

\$ 16,870,508.28 (the "**Principal Balance**")

5. **INTEREST RATE**

The Loan interest rate shall be set at 210 basis points above the bid-side yield of the non-callable Government of Canada bond payable in Canadian dollars having a term equivalent to the Term of the Loan. If no such equivalent term bond is outstanding, then the Interest Rate shall be set at 210 basis points above the interpolation between the bid-side yield of the non-callable Government of Canada bond having a maturity closest to but prior to the Maturity Date and the bid-side yield of a non-callable Government of Canada bond having a maturity closest to but following the Maturity Date.

The interest will be calculated semi-annually and not in advance, beginning April 1, 2013, and shall be payable monthly, as set forth herein.

Notwithstanding the above, the interest rate is subject to a minimum interest rate of 4.00%.

(the "**Interest Rate**")

The Lender shall set the Interest Rate once all of the Conditions Precedent set forth in clause 12 hereof have been fully satisfied, and the Interest Rate will be effective from April 1, 2013. Notwithstanding the foregoing, in the event the Conditions Precedent are not satisfied by April 30, 2013, then the Interest Rate of 6.90% shall remain, calculated semi-annually, not in advance,

until such Conditions Precedent are satisfied, at which time the Interest Rate will be set as described above and will then become effective the first day the calendar month following the satisfaction of such Conditions Precedent.

6. **TERM**

120 months beginning April 1, 2013 (the "**Term**"), provided that the Conditions Precedent are satisfied by April 30, 2013, or such period as extended by the Lender.

7. **AMORTIZATION**

300 months

8. **REPAYMENT AND MONTHLY INSTALMENTS**

The Loan shall be repaid in part by one hundred and twenty (120) equal consecutive blended principal and interest monthly instalments in the amount to be determined, payable on the first day of each month beginning May 1, 2013, until April 1, 2023 inclusively (the "**Maturity Date**"). On Maturity Date, the Principal Balance then outstanding, together with interest and all other amounts owing to the Lender shall become immediately due and payable.

9. **RESERVE**

NOT APPLICABLE

10. **METHOD OF PAYMENT OF MONTHLY INSTALMENTS**

The Borrower authorizes the Lender to collect monthly instalments under its "preauthorized payments" system to allow monthly instalments to be withdrawn automatically from its bank account.

11. **PREPAYMENT**

The Borrower shall have the right to prepay the Loan, in whole but not in part, at any time prior to the Balance Due Date, upon ten (10) days prior written notice, subject to payment of principal and all interest and other amounts owing hereunder and subject to payment of a Yield Maintenance Fee.

A "**Yield Maintenance Fee**", being compensation for the loss on the return of funds allocated to the principal amount of the Loan being prepaid, shall be the greatest of the two following amounts between i) and ii) hereafter:

(i) An amount equal to the amount by which:

The sum of the present value of all blended monthly instalments of principal and interest payable after the prepayment date and until the Balance Due Date and the present value of the principal balance which would be payable on the Balance Due Date, these present values shall be calculated using a discount rate equal to the bid-side yield listed in a Bloomberg screen at 11:00 AM. (Montreal time) on the Business Day immediately preceding the date of prepayment, on non-callable Government of Canada bonds having an equivalent term less 25 basis points; the

"bid-side yield on non-callable Government of Canada bonds having an equivalent term" shall mean the bid-side yield to maturity, as determined by the Lender, expressed as an annual rate of interest calculated semi-annually and not in advance, on a theoretical non-callable Government of Canada bond, payable in Canadian Dollars, obtained from the interpolation between the bid-side yield of a non-callable Government of Canada bond having a maturity closest to but prior to that of the Balance Due Date and of a non-callable Government of Canada bond having a maturity closest to but following the Balance Due Date.

Exceeds the principal amount of the Loan prepaid; and

(ii) An amount equal to interest under the Loan in respect of a three month period calculated at the Interest Rate on the principal amount prepaid.

If, by operation of law or by acceleration of the Loan by the Lender or for any reason whatsoever, the Borrower shall become entitled or obligated prior to the Balance Due Date, to prepay and does prepay the Loan or any part thereof, the Borrower shall also pay to the Lender, in addition to all other amounts owing hereunder, the Yield Maintenance Fee described above.

12. CONDITIONS PRECEDENT

a) The Borrower shall deliver by no later than April 30, 2013, estoppel certificates on the form attached herein under Schedule A, in respect of leases representing not less than 70% of the net leasable area leased to tenants, including estoppel certificates from the tenant CMHC and Nova Chemicals.

b) An inspection of the Property satisfactory to the Lender in its sole discretion must be completed by the Lender prior to the refinancing of the Loan. **(Condition Satisfied)**

c) A satisfactory review by the Lender of the ESA Phase I Update prepared by RiskChek Environmental Ltd. and dated October 29, 2010.

d) The Borrower covenants to deliver by no later than April 30, 2013, a reliance letter for the ESA Phase I Update dated October 29, 2010, prepared by RiskChek Environmental Ltd. and which must be satisfactory to the Lender.

e) A tri-party agreement between the landlord under the ground lease, the Borrower and the Lender in form satisfactory to the parties thereto, all acting reasonably, which must be delivered to the Lender by no later than April 30, 2013.

(f) The title to the Property has been transferred to the Borrower and the Borrower has agreed to be bound by and satisfied all of the terms and conditions of the existing Mortgage and all collateral security thereto.

13. PROCESSING FEE

A non-refundable processing fee of \$45,000 has been remitted to the Lender.

14. NOVATION

This Offer is issued without novation or prejudice to any of the Lender's right, mortgage, charge and recourse resulting from the Mortgage, the Guarantee, the Security Agreement or any other Security Document.

15. COMPLIANCE WITH CONDITIONS

The Lender reserves the right, at its sole discretion, to cancel this Offer, even after its acceptance, if any of the conditions mentioned herein has not been met within the prescribed time limits, and this Offer shall then be terminated without any recourse against each other party.

16. ENVIRONMENTAL, PHYSICAL CONDITION AND OTHER REPORTS ON THE PROPERTY

The Borrower represents to the Lender that the Property and its uses still comply with all laws and regulations of all governmental authorities with respect to environmental matters (the "Environmental Laws"), that the Property is managed in strict compliance with the Environmental Laws and no notices of violation of any Environmental Laws has been received by the Borrower and there are no outstanding proceedings or judgments issued pursuant to Environmental Laws with respect to the Property.

The status of the Property with respect to Environmental Laws must be satisfactory to the Lender and, in the event that any of the above representations is or becomes untrue during the extended Term of the Loan, the Borrower undertakes, under reserve of the Lender's rights pursuant to the Security Documents, to take all the measures necessary to correct the situation and to cure any resulting default to the complete satisfaction and exoneration of the Lender and its experts.

17. SECURITY


The Lender shall have received from its solicitor a satisfactory confirmation that the Property has not been adversely encumbered since the registration of the Mortgage, and that all Security Documents were executed and registered at Land Title Office and at PPR when necessary, in form and manner satisfactory to the Lender and its solicitor. The solicitor shall also confirm if updated enforceability opinion, and any formal Amendment Agreement are necessary to any of the Security Documents and shall prepare all documentation required to secure the obligations set forth herein and to preserve the Lender's Security. Notwithstanding the forgoing, the Borrower agrees to enter into and Assumption and Renewal Agreement.

If the filing of the Financing Statements expires during the extended Term of the Loan, such filing shall be renewed concurrently with this Offer by the Lender's solicitor at the Borrower's cost.

The Borrower shall be responsible for all costs related to such review and the perfection of its security.

18. ASSIGNMENT BY LENDER

The Lender shall be entitled to assign all or part of its right, title and interest in the Mortgage and in any other Security Documents or in this Offer to one or more assignees, by way of simple assignment, syndication, securitization and/or other method of assignment. The Borrower shall be obligated to assist the Lender in completing such assignments except to confirm the status of the Security Documents and of the transaction contemplated therein.

provided that the Lender or a company controlled by the Lender retains the administration and servicing of the file. 

19. **TIME PERIOD FOR ACCEPTANCE**


This Offer may not be transferred or assigned by the Borrower to any person whatsoever.

This Offer shall be duly accepted and the non-refundable processing fee shall be remitted to the Lender by March 28, 2013, failing which it shall become null and void without further notice.

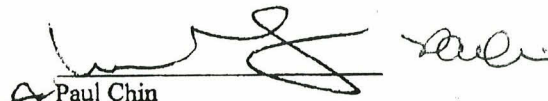
Once accepted, and under reserve of any provision herein to the contrary, this Offer shall constitute the final agreement and shall be binding upon the parties. All other terms and conditions of the Mortgage or of any of the Security Documents, not amended by this Offer shall remain in full force and effect.

Yours very truly,

Otera Capital Inc. on behalf of CDPQ Mortgage Investment Corporation



Roy Lall
Authorized Signatory



Paul Chin
Authorized Signatory

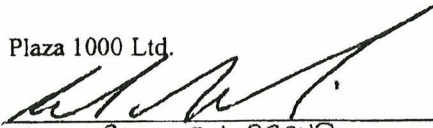
ACCEPTANCE BY BORROWER

THE BORROWER ACCEPTS THE FOREGOING AND AGREES TO COMPLY WITH ALL OF THE PROVISIONS OF THIS COMMITMENT AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS COMMITMENT AND CONFIRMS THAT IT HAS BEEN ADVISED TO SEEK AND, WHERE APPROPRIATE, HAS AND/OR WILL SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THIS COMMITMENT AND THE LOAN TRANSACTION CONTEMPLATED HEREIN.

Dated this 27 day of March, 2013.

BORROWER

Plaza 1000 Ltd.



Name: ROBERT J. PROUD
Title: EXECUTIVE VICE PRESIDENT & SECRETARY

Name :
Title :

SCHEDULE "A"
TO SAID COMMITMENT LETTER
ESTOPPEL CERTIFICATE

PROJECT:

LANDLORD: ▶

TENANT:

DATE OF LEASE: ▶ (also indicate date(s) of Lease Amendments)

TO: CDPQ MORTGAGE INVESTMENT CORPORATION

SUBJECT: CDPQ MORTGAGE INVESTMENT CORPORATION(the "Lender") loan to ▶ (name of Borrower), secured by a first-ranking mortgage against ▶ (name, if any, and municipal address of project)

The undersigned, being the Tenant under the above lease (the "Lease"), hereby certifies that:

- the Tenant has accepted, without reservation, and is in possession and occupation of the leased premises which are approximately ▶ square feet in area; the leased premises have been completed in accordance with the obligations of the Landlord;
- the Lease is in full force and effect, unamended;
- the date on which the Lease commenced was ▶ and it will expire on ▶ , subject to the exercise of rights of renewal, if any, set out in the Lease;
- all basic rent, additional rent and other amounts payable under the Lease have been fully paid to the date of this Estoppel Certificate, without deduction, compensation or set-off;
- there is no existing default by the Tenant or, to our knowledge, by the Landlord pursuant to the Lease for which a notice of default has been given, except as follows: ▶ (insert particulars of default);
- the Tenant has no defences, counterclaims and/or claims of deduction, compensation and/or set-off under the Lease or otherwise against rents or other amounts payable under the Lease; furthermore, the Tenant has no contractual right or option to terminate the Lease prior to the expiry of the term, except as follows: ▶ (insert particulars of right or option);
- no rents or other amounts payable under the Lease have been paid more than thirty (30) days in advance of their respective due dates; the security deposit/prepaid rents under the Lease are ▶ ;
- the Tenant has not received any notice of attornment or direction or any other notice from any creditor of the Landlord directing the Tenant to pay rents to such creditor;

- the annual basic rent for the next twelve (12) months is \$ ▶; the Tenant's proportionate share of realty taxes, operating expenses and other recoveries (excluding GST) for the same period is ▶;
- the Tenant is not aware of any litigation or government proceeding commenced, pending or threatened against the Tenant with respect to the leased premises or which, if decided against it, would materially adversely impair its ability to comply with its Lease obligations;
- the Tenant acknowledges that the Landlord has assigned the Lease and the rents payable thereunder to the Lender as security for the above-referenced loan and the Tenant agrees to continue to pay rental and other payments to the Landlord in accordance with the Lease, until the Tenant is notified to the contrary by the Lender; and
- the Tenant further acknowledges that it will, if possession is taken under, or if any proceedings are brought for possession under, or if foreclosure is exercised pursuant to, or if power of sale is exercised under the Lender loan security, attorn to the Lender, its assignee or the purchaser, as new landlord under the Lease (subject always to such party's agreement to be bound by the terms of the Lease).
- The Tenant hereby certifies that the above statements, including all exceptions added thereto, are true and complete and may be relied and acted upon.

DATED AT ▶ (name of City), this ▶ day of ▶, ▶ (date).

▶ (name of Tenant)

Per: _____

Name: ▶

Title: ▶

I have the authority to bind the Corporation.

THIS IS EXHIBIT "D" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023

M. Rondeau

A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



MORTGAGE ASSUMPTION AND EXTENSION AGREEMENT

BETWEEN:

**CDPQ MORTGAGE INVESTMENT CORPORATION / CORPORATION
D'INVESTISSEMENT HYPOTHÉCAIRE CDPQ formerly known as CDPQ MORTGAGE
CORPORATION
(the "Mortgagee")**

- and -

**PLAZA 1000 LTD.
(the "Mortgagor")**

WHEREAS:

- A. The term of the Mortgage has ended;
- B. The Mortgagor has acquired legal title to the Lands from Copez Properties Ltd. ("Copez") and as part of such acquisition, the Mortgagor has agreed to assume the Loan and all other obligations of Copez to the Mortgagee under the Security;
- C. The Mortgagor has accepted the Mortgagee's offer to extend the Mortgage for a further term in accordance with the terms, covenants and conditions contained within this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained within this Agreement, the Mortgagee and the Mortgagor agree as follows:

The Mortgagee and the Mortgagor agree as follows:

- 1. In this Agreement:
 - (a) "Chattels" means those certain chattels located in and upon the Lands as more particularly described in the Security Agreement;

- (b) "General Assignment of Rents and Leases" means a certain assignment agreement dated May 13, 2002 whereby Copez, as assignor, assigned all of the rents and profits from the Lands, as well as all offers, leases and tenancy agreements respecting the Lands, in favour of the Mortgagee, as assignee, as collateral security for the performance of the covenants and obligations contained in the Mortgage, which assignment has been registered against the Lands by way of caveat instrument number 021 170 876;
- (c) "Lands" means the property charged by the Mortgage, the legal description of which is as follows:

LEASEHOLD FOR A TERM OF 99 YEARS COMMENCING ON THE 01 DAY OF JANUARY, 1997 TERMINATING ON THE 31 DAY OF DECEMBER, 2095 IN:

FIRSTLY:

PLAN A1
BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)

PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

SECONDLY:

PLAN A1
BLOCK 36
LOTS 25 TO 32 INCLUSIVE

- (d) "Loan" means the original sum of \$21,575,000.00 of which \$16,870,508.28 remains outstanding as at April 1, 2013;
- (e) "Mortgage" means collectively the mortgage dated May 13, 2002 and registered against the Lands as Instrument No. 021 170 875 as amended by an amending agreement dated March 26, 2003 and registered against the Lands as Instrument No. 031 130 321;
- (f) "Offer to Extend" means the letter of renewal dated March 27, 2013 issued by Otera Capital Inc. on behalf of the Mortgagee and accepted by the Mortgagor on March 27, 2013;

- (g) "Security" means any other items of security held by the Mortgagee as additional security for the Mortgage including the Security Agreement and the Assignments of Rents and Leases; and
- (h) "Security Agreement" means a certain indenture dated May 13, 2002 and registered in the Personal Property as number 02040906303 whereby Copez mortgaged in favour of the Mortgagee all Copez's interest in the Chattels.

2. The Mortgagor hereby assumes and agrees with the Mortgagee to observe and perform all of the mortgagor's liabilities and obligations whatsoever under the Security and, without restricting the generality of the foregoing, the Mortgagor, as a principal debtor and not as a surety, hereby covenants to pay to the Mortgagee all monies secured by the Mortgage as amended by this Agreement at the times and in the manner provided therein, and to observe and perform and be bound by all the terms, conditions and covenants in the Security.

3. The Mortgagor hereby acknowledges and agrees that has acquired legal title to the Lands and Chattels subject to the Security and that the Security shall be and remain a first charge and shall have priority for the full amount of the Loan over any right, title or interest which the Mortgagor may have as purchaser of the Lands and Chattels.

4. Effective on April 1, 2013 (the "Effective Date"), until March 31, 2023 (the "Maturity Date"), the terms of the Mortgage (and the other Security, where applicable) are amended as follows:

- (a) the interest rate will be 4% per annum, calculated and compounded semi-annually, not in advance, before and after maturity, default and judgement; and
- (b) the monthly payments will be \$88,742.28 per month (plus taxes at the Mortgagee's option) starting with the May 1, 2013 payment.

5. If the Mortgagee and the Mortgagor do not agree upon a further extension on or before the Maturity Date, the entire balance of the Loan will be payable by the Mortgagor to the Mortgagee on the Maturity Date.

6. The Mortgagee and the Mortgagor acknowledge that:

- (a) the Loan is outstanding; and
- (b) the Mortgage and the other Security are valid and enforceable as against the Mortgagor.

7. Clause 11.14 of the Mortgage is deleted in its entirety and the following inserted:

"11.14 Prepayment

Other than as set forth in clause 11 of the Offer to Extend (as defined in Clause 2.4), the Mortgagor shall not have the privilege of prepaying either in whole or in part the Principal Sum hereby secured."

8. Clause 2.4 of the Mortgage is deleted and the following inserted:

"Notwithstanding any other provision in the Security or in any other document between the Mortgagee and the Mortgagor, the Mortgagee agrees that its recourse under the Security shall be limited to the Lands and all other assets secured by the Security and that the Mortgagee shall have no recourse against the Mortgagor or any of its property and assets except in respect of the "Recourse Exceptions" as specifically set forth in clause 1 of the letter of renewal dated March 27, 2013 issued by Otera Capital Inc. on behalf of the Mortgagee and accepted by the Mortgagor on March 27, 2013 (the "Offer to Extend")."

9. The provisions of the Offer to Extend, as accepted by the Mortgagor, are not superseded by or merged in the execution or registration of this Agreement or any additional and collateral security and the provisions of the Offer to Extend shall remain in full force and effect until all of the conditions thereof to be observed and performed by the Mortgagor have been fully paid and satisfied, provided however that in the event of a conflict between the terms of the Offer to Extend and the terms of the Security as amended by this Agreement, the terms of the Offer to Extend shall prevail.

10. This Agreement is intended to operate only as an extension agreement. This Agreement is not intended to be a new mortgage and will not result in the release of any person or corporation from their obligations under the Mortgage or the Other Security. For the purposes of Section 10(1) of the *Interest Act* RSC, 1985 ch. I-15, the Mortgage shall be redated as of the date hereof. The obligations of the Mortgagor and any others contained in the Mortgage and the Security will continue to exist until the Loan is repaid to the Mortgagee in full.

11. The Mortgagor will satisfy the conditions set forth in Section 12 of the Offer to Extend, on or before April 30, 2013 (the "Condition Date").

12. If this Agreement is not signed by the Mortgagor on or before the Condition Date, at the option of the Mortgagee, this Agreement will be void and the Loan will be immediately due and payable.


13. All terms of the Mortgage not affected by this Agreement shall remain in full force and effect.

[Execution Page Follows]

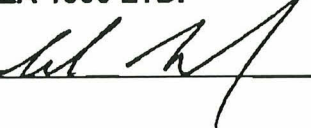
DATED the 30th day of April, 2013.

CDPQ MORTGAGE INVESTMENT CORPORATION / CORPORATION D'INVESTISSEMENT HYPOTHÉCAIRE CDPQ formerly known as CDPQ MORTGAGE CORPORATION

Per: 
AUTHORIZED SIGNATORY (c/s)

Per: 
AUTHORIZED SIGNATORY

PLAZA 1000 LTD.

Per:  (c/s)

Per: _____

THIS IS EXHIBIT "E" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023

M. Rondeau

A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



Certificat de fusion

Loi sur les sociétés par actions (RLRQ, chapitre S-31.1)

J'atteste que les sociétés mentionnées dans les statuts de fusion ont fusionné en vertu de la Loi sur les sociétés par actions le 01 juillet 2016 à 0 h 1 min en une seule société par actions sous le nom

OTÉRA CAPITAL INC.

Déposé au registre le 28 juin 2016 sous le numéro d'entreprise du Québec 1165196107.

Fernel Simard

Registraire des entreprises



Statuts de fusion Fusion simplifiée

Pour les statuts de fusion simplifiée seulement.
Numéro d'entreprise
du Québec (NEQ) : **1165196107**

Loi sur les sociétés par actions, L.R.Q., c. S-31.1

1 Nom de la société par actions

OTÉRA CAPITAL INC.

Version(s) du nom de la société dans une autre langue que le français, s'il y a lieu

2 Capital-actions

ANNEXE A - CAPITAL-ACTIONS - STATUTS DE FUSION - OTÉRA CAPITAL INC

3 Modalités de conversion et de paiement des actions des sociétés fusionnantes, s'il y a lieu

4 Restrictions sur le transfert des titres ou des actions, s'il y a lieu

ANNEXE B - RESTRICTIONS TRANSFERT ACTIONS - STATUTS DE FUSION - OTÉRA CAPITAL INC

5 Nombre d'administrateurs

Nombre fixe

ou

Nombre minimal 1

Nombre maximal 15

6 Limites imposées aux activités, s'il y a lieu

7 Autres dispositions, s'il y a lieu

ANNEXE C - AUTRES DISPOSITIONS - STATUTS DE FUSION - OTÉRA CAPITAL INC

8 Date et heure à attribuer au certificat, s'il y a lieu

Date 1er juillet 2016 Heure 00 hrs 01 min

9 Sociétés fusionnantes

Nom de la société

HYPOTHÈQUES CDPQ INC.

Numéro d'entreprise du Québec (NEQ) 1147886387

Nom de l'administrateur ou du dirigeant autorisé

Irène Papavasil

Signature électronique de

Irène Papavasil

Nom de la société

OTÉRA CAPITAL INC.

Numéro d'entreprise du Québec (NEQ) 1165196107

Nom de l'administrateur ou du dirigeant autorisé

Irène Papavasil

Signature électronique de

Irène Papavasil

Nom de la société

CORPORATION D'INVESTISSEMENT HYPOTHÉCAIRE CDPQ INC.

Numéro d'entreprise du Québec (NEQ) 1147962766

Nom de l'administrateur ou du dirigeant autorisé

Irène Papavasil

Signature électronique de

Irène Papavasil

Réservé à l'administration

Numéro de référence de la demande : 020200038924031

Numéro d'entreprise du Québec (NEQ) :

Désignation numérique :

"UNOFFICIAL IN HOUSE TRANSLATION"

Certificate of Amalgamation

Business Corporations Act (CQLR, Chapter S-31.1)

I certify that the corporations specified in the Articles of Amalgamation have amalgamated under the *Business Corporations Act* on July 01, 2016 at 00:01 min into one single business corporation under the name

OTÉRA CAPITAL INC.

Submitted to the register on June 28, 2016
under Quebec Business Number 1165196107

(signature)

SEAL

Enterprise Registrar

Articles of Amalgamation **Short-form amalgamation**

For short-form Articles of Amalgamation only
Quebec Business Number (NEQ) **1165196107**

Business Corporations Act (CQLR, Chapter S-31.1)

1 Name of business Corporation

OTÉRA CAPITAL INC.

2 Share capital

SCHEDULE A – SHARE CAPITAL – ARTICLES OF AMALGAMATION – OTÉRA
CAPITAL INC.

**3 Procedures for conversion and payment of shares of amalgamating
corporations, if applicable**

4 Restrictions on securities or share transfer, if applicable

SCHEDULE B – SHARE TRANSFER RESTRICTIONS – ARTICLES OF
AMALGAMATION – OTÉRA CAPITAL INC.

5 Number of directors

Fixed number

or

Minimum number 1

Maximum number 15

6 Limits imposed on activities, if applicable

7 Other provisions, if applicable

SCHEDULE C – OTHER PROVISIONS – ARTICLES OF AMALGAMATION –
OTÉRA CAPITAL INC.

8 Date and time to be granted to the certificate, if applicable

Date July 1st, 2016 Time 00:01 min

9 Amalgamating corporations

Name of corporation

HYPOTHÈQUES CDPQ INC.

Quebec Business Number (NEQ) 1147886387

Name of director or authorized officer

Irène Papavasil

Electronic signature of

Irène Papavasil

Name of corporation

OTÉRA CAPITAL INC.

Quebec Business Number (NEQ) 1165196107

Name of director or authorized officer

Irène Papavasil

Electronic signature of

Irène Papavasil

Name of corporation

CORPORATION D'INVESTISSEMENT HYPOTHÉCAIRE CDPQ INC.

Quebec Business Number (NEQ) 1147962766

Name of director or authorized officer

Irène Papavasil

Electronic signature of

Irène Papavasil

Reserved for the administration

Application reference number: 020200038924031

Quebec Business Number (NEQ):

Numerical designation:

THIS IS EXHIBIT "F" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



LAND TITLES ACT
(ALBERTA)

MORTGAGE

PLAZA 1000 LTD.

TO

OTÉRA CAPITAL INC.

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SCHEDULES

- Schedule "A" The Lands and Permitted Encumbrances
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MORTGAGE

Land Titles Act

RECITALS:

- A. The Mortgagor is or is entitled to become the registered owner of the Lands;
- B. The Mortgagee has agreed to lend the Principal Sum to the Mortgagor;
- C. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee.

The Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE 1

1.1 Definitions

In this Mortgage, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Assignment" means the assignment of rents contained in Section 7.1 herein;
- (b) "Bankers' Acceptance Rate" means the CDOR rate quoted daily at 11:00 a.m. Eastern Time by Bloomberg on the 1st day of each month (or, if the 1st day is not a Business Day, then on the immediately preceding Business Day) calculated and compounded monthly, not in advance and adjusted monthly automatically and without notice to the Mortgagor. If Bloomberg does not quote a CDOR rate on any date as herein provided for the setting of rate, then the CDOR rate shall be deemed to be the CDOR rate last quoted by Bloomberg on the most recent previous Business Day.
- (c) "Business Day" means a day other than a Saturday, Sunday and Statutory Holiday in the Province of Ontario;
- (d) "Collateral Security" means that additional and collateral security, if any, which is described in Schedule "B" attached hereto, or which may be required pursuant to the provisions of this Mortgage or the Commitment Letter to be granted in favour of the Mortgagee;

- (e) "Commitment Letter" means that certain letter from the Mortgagee (or the Mortgagee's agent) to the Mortgagor dated March 15, 2002 and accepted by the Mortgagor on March 18, 2002 and amended by way of Offer to Extend Term from the Mortgagee dated March 27, 2013 and accepted by the Mortgagor on March 27, 2013;
- (f) "Condominium Corporation" means any corporation formed in respect of the Lands by virtue of the registration of a condominium plan pursuant to the *Condominium Property Act*;
- (g) "Condominium Property Act" means the *Condominium Property Act*, RSA 2000 and includes all amendments thereto;
- (h) "Event of Default" means the occurrence of any one or more of the following events:
 - (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage, the Collateral Security or the Commitment Letter,
 - (ii) a default by the Mortgagor in the observance or performance of any of the terms, covenants or conditions of the Lease, which default has not been cured within the time periods specified in the Lease,
 - (iii) an order being made or an effective resolution being passed for the winding up of the Mortgagor or a petition being filed for the winding up of the Mortgagor,
 - (iv) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (v) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (vi) any proceeding with respect to the Mortgagor which is commenced under the *Companies' Creditors Arrangement Act* or any successor legislation,
 - (vii) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* or any successor legislation,
 - (viii) any execution, sequestration or other process of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the property of the Mortgagor or any part thereof

which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee, and

- (ix) any other event which, pursuant to the terms of the Mortgage constitutes, or is deemed to constitute, an Event of Default;
- (i) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:
 - (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life,
 - B. interferes with normal enjoyment of life or property, or
 - C. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor or the Lands;
- (j) "Interest Adjustment Date" means the earlier of April 1, 2013 and the date determined in accordance with the terms of the Commitment Letter;
- (k) "Interest Rate" means:

- (i) from the date hereof until the Interest Adjustment Date, the Bankers' Acceptance Rate plus 4% per annum, calculated and compounded semi-annually, not in advance, determined upon the basis of a 365 day year and calculated in accordance with the Mortgagee's usual practice (as to times and method of calculation),
 - (ii) from and after the Interest Adjustment Date, such rate of interest as is determined in accordance with the terms of the Commitment Letter;
- (l) "Lands" means the right, title, interest and estate in that parcel or parcels of land situate in the Province of Alberta and described in Schedule "A" attached hereto, together with all improvements of every kind whether or not affixed thereto, including without limiting the generality of the foregoing, all buildings, erections, improvements, machinery and plant, furnaces, boilers, elevators, escalators, mobile homes, plumbing, air conditioning, ventilating, refrigerating equipment, water heaters, wall to wall carpeting, plate glass, storm doors, storm windows, screens and screen doors and all apparatus and equipment appurtenant thereto whether movable or stationary, with all proper, usual and necessary gears, tools, accessories, equipment and appliances, which are now or may hereafter be placed or installed thereupon, but excluding any improvements belonging to the subtenants of the Lands;
- (m) "Lease" means that certain Memorandum of Lease dated as of January 1, 1997 between 255848 Alberta Ltd., as lessor, and 635206 Alberta Ltd. and 635209 Alberta Ltd., as lessees, and registered in the Land Titles Office for the South Alberta Land Registration District as instrument #971236399 and subsequently assigned to the Mortgagor, as lessee;
- (n) "Maturity Date" means March 31, 2023 or such other date as may be determined in accordance with the terms of the Commitment Letter;
- (o) "Monthly Instalments" means:
 - (i) from the date hereof until the Interest Adjustment Date, monthly payments of interest only, calculated at the Interest Rate, on so much of the Principal Sum as remains outstanding from time to time,
 - (ii) from and after the Interest Adjustment Date monthly payments of principal and interest in an amount to be determined in accordance with the terms of the Commitment Letter;
- (p) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;

- (q) "Mortgage Monies" means the Principal Sum with interest thereon at the Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.5 hereof;
- (r) "Mortgagee" means Otéra Capital Inc.;
- (s) "Mortgagee's Address" means 1981, Avenue McGill College, Montreal, Quebec, H3A 3C7, Attention: Mortgage Administration or such other address as the Mortgagee shall from time to time direct;
- (t) "Mortgagor" means Plaza 1000 Ltd.;
- (u) "Mortgagor's Address" means Suite 600, 999 - 8th Street, SW, Calgary, Alberta, T2R 1J5 or such other address as the Mortgagor shall from time to time direct;
- (v) "Offer to Extend" means the letter of renewal dated March 27, 2013 issued by Otéra Capital Inc. on behalf of the Mortgagee and accepted by the Mortgagor on March 27, 2013;
- (w) "Permitted Encumbrances" means those encumbrances described in Schedule "A" attached hereto;
- (x) "Principal Sum" means the sum of \$21,575,000.00 in lawful money of Canada;
- (y) "Prior Charge" means any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this Mortgage, including, without restriction, the Permitted Encumbrances;
- (z) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands;
- (aa) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager;
- (bb) "Security" means any other items of security held by the Mortgagee as additional security for the Mortgage including the Security Agreement and the Assignments of Rents and Leases; and

- (cc) "Term" means the period of time from the date hereof to and including the Maturity Date but subject to any renewals or extensions thereof.

ARTICLE 2

2.1 Loan of Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor upon the terms and conditions contained herein but subject to the Mortgagee's right not to advance as set forth in paragraph 43 of the Commitment Letter. For greater certainty, the Mortgagor acknowledges that this Mortgage is in replacement of or in substitution for a previous mortgage granted by the Mortgagor in favour of the Mortgagee, and that the amount owing under such previous mortgage is secured hereby and deemed advanced hereunder. The Mortgagor further acknowledges that the granting of this Mortgage, and any discharge of any previous mortgage, does not shall operate as a novation of the Mortgagor's indebtedness hereunder or as a waiver or reduction of this Mortgage.

2.2 Repayment

The Mortgagor shall pay the Principal Sum, with interest thereon at the Interest Rate, to the Mortgagee at the Mortgagee's Address, as follows:

- (a) interest only at the Interest Rate on so much of the Principal Sum as shall have been advanced from time to time, shall become due and be paid by payment of the Monthly Instalments on the first day of each and every month commencing with the first day of the month next following the month in which the first advance of the Principal Sum was made and continuing to and including the Interest Adjustment Date; and
- (b) from and after the Interest Adjustment Date, the Principal Sum, together with interest thereon, calculated at the Interest Rate shall be paid by payment of the Monthly Instalments (determined based upon a 25 year amortization period) on the first day of each month commencing with the month next following the Interest Adjustment Date and continuing to the Maturity Date when the balance of the Principal Sum then outstanding, together with all accrued but unpaid interest, shall become due and payable.

2.3 Payment of Interest

The Mortgagor shall pay to the Mortgagee interest at the Interest Rate in the manner aforesaid on the Mortgage Monies or on so much thereof as shall from time to time remain unpaid. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Interest

Rate after as well as before maturity, default and the obtaining of any judgment by the Mortgagee and all such interest and compound interest shall be a charge on the Lands.

2.4 Limited Recourse

Notwithstanding any other provision in the Security or in any other document between the Mortgagee and the Mortgagor, the Mortgagee agrees that its recourse under the Security shall be limited to the Lands and all other assets secured by the Security and that the Mortgagee shall have no recourse against the Mortgagor or any of its property and assets except in respect of the "Recourse Exceptions" as specifically set forth in clause 1 of the Offer to Extend.

ARTICLE 3

3.1 Insurance

- (a) The Mortgagor shall insure the Lands to the extent of the full insurable value of the Lands, or sufficient to protect the Mortgagee as the Mortgagee may reasonably request with a company or companies approved by the Mortgagee, acting reasonably, against:
 - (i) loss or damage by fire, windstorm, flooding, hail, lightning, explosion, riot, earthquake, impact by aircraft or vehicles, smoke damage, and
 - (ii) to the extent applicable, against loss or damage caused by the explosion of any steam boiler or other object generating or operated by steam and/or any closed circulation hot water system and/or any pressure vessel or by the escape of water from any sprinkler system or other piping within or operated upon the Lands, such policies of insurance to contain the usual "Extended Coverage" and "Replacement Cost" endorsements.
- (b) Further, the Mortgagor will maintain:
 - (i) general comprehensive liability insurance against claims for personal injury, death or property damage occurring on or about the Lands, such insurance to afford protection in such amounts as the Mortgagee may from time to time reasonably require, and
 - (ii) rental or business interruption insurance in such amounts as the Mortgagee may require.

- (c) The Mortgagee may, upon the occurrence of an Event of Default, effect such insurance as required by the Mortgagee.
- (d) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and, at the request of the Mortgagee, will deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (e) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee making all proceeds thereunder payable to the Mortgagee. All policies shall contain either the Insurance Bureau of Canada standard mortgage clause.
- (f) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (g) The Mortgagee may require any such insurance to be written by insurance companies acceptable to it, acting reasonably, and may, at its option, cancel existing policies and require that new insurance be effected if the Mortgagee, acting reasonably, determines that the Mortgagor's insurer is not acceptable. If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee forthwith on demand, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (h) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or

- (ii) be applied in or towards the payment of the last Monthly Instalment of principal falling due under and by virtue of this Mortgage, and in case of a surplus, in or towards the payment of the Monthly Instalment next in point of time, and so on until the whole of the Principal Sum shall be paid and in case of a surplus then, in or towards payment of any interest that may be accrued due, or
- (iii) be paid over in whole or in part to the Mortgagor but no such payment shall operate as payment or a novation of the Mortgagor's indebtedness hereunder or as reduction of this Mortgage, or
- (iv) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

notwithstanding any law, equity or statute to the contrary, including without restriction the *Insurance Act (Alberta)* and the *Fire Prevention (Metropolis) Act, 1774*, all rights and benefits of the Mortgagor thereunder being hereby expressly waived. Pending application of the insurance monies for the purpose aforesaid, the same shall be deemed to form part of the Lands and be subject to the charge hereby created.

- (i) Notwithstanding the provisions of the immediately preceding paragraph, but provided that the Mortgagee and its counsel are satisfied that the proceeds of insurance shall be applied to rebuilding and are otherwise completely satisfied with the provisions of all arrangements made with the lessor under the Lease and an insurance trustee in respect thereof, the proceeds payable under the policies referred to above, other than liability insurance, may be payable to the insurance trustee under and in accordance with an acceptable insurance trust agreement.
- (j) The Mortgagor hereby constitutes and appoints the Mortgagee as its attorney to be effective only upon the occurrence of an Event of Default, for the purpose of demanding, recovering and receiving payment of any and all insurance monies to which it may be or may become entitled. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, the Mortgagee may, in the name of the Mortgagor:
 - (i) file proofs of claim with any insurer who shall insure the Lands,
 - (ii) settle or compromise any claim for insurance proceeds in respect of the Lands,
 - (iii) commence and prosecute any action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands, and

- (iv) settle or compromise any such action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands.

Notwithstanding anything herein contained it shall remain the responsibility of the Mortgagor to demand, recover and receive such payment and nothing herein shall render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the Power of Attorney hereby granted or for its failure to do any act or take any step.

- (k) Notwithstanding the foregoing, if the Lands are a condominium pursuant to the *Condominium Property Act*, then the Mortgagor shall ensure that the Condominium Corporation maintains insurance in accordance with the *Condominium Property Act*. In such event:
 - (i) the Mortgagee may, at its option, require that an insurance trustee acceptable to the Mortgagee be appointed in accordance with the provisions of the *Condominium Property Act*, and
 - (ii) all insurance proceeds will be distributed in accordance with the *Condominium Property Act*.

3.2 Payment of Real Estate Taxes

The Mortgagor shall pay as they become due all Real Estate Taxes, provided that:

- (a) the Mortgagee may deduct from any advance of the Principal Sum an amount sufficient to pay any Real Estate Taxes;
- (b) the Mortgagor shall at the option of the Mortgagee, pay to the Mortgagee on the days appointed herein for payment of interest or Monthly Instalments, such sums in addition thereto as the Mortgagee shall compute to be required to provide a fund sufficient to pay in full the Real Estate Taxes when such taxes become due and payable and the Mortgagee shall be at liberty to exercise its discretion at any time during the currency of this Mortgage. A forbearance by the Mortgagee to exercise its discretion, either at the commencement of the Term or at any other time thereafter, shall in no way affect or preclude the Mortgagee from requiring the Mortgagor to pay instalments for Real Estate Taxes at any subsequent time;
- (c) in the event that the Real Estate Taxes actually charged for any particular year exceed the estimated amount or in the event of any part of the estimated amount paid to the Mortgagee being applied by the Mortgagee in or towards principal and interest or other monies in default, the Mortgagor

will pay to the Mortgagee on demand the amount required to make up the deficiency;

- (d) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after the receipt of same by the Mortgagor;
- (e) so long as no Event of Default has occurred, the Mortgagee shall apply such payments on the Real Estate Taxes chargeable against the Lands, but the Mortgagee shall be under no obligation to apply such payments more often than yearly;
- (f) if before any such sum or sums in the hands of the Mortgagee shall have been so applied there shall be an Event of Default, the Mortgagee may, at its option, apply such sum or sums in or towards payment of principal, interest or other monies so in default;
- (g) if the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Real Estate Taxes, it shall pay to the Mortgagee such additional amounts as in the opinion of the Mortgagee are required for that purpose; provided always, that the Mortgagee may, at its option, decide to prepay either in whole or in part any Real Estate Taxes; and
- (h) the Mortgagee may at any time pay all Real Estate Taxes in order to perfect the title to the Lands or any part thereof and to make or keep this Mortgage a charge thereon and any amount or amounts paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee forthwith on demand and shall be added to the Principal Sum and will accrue interest at the Interest Rate as if the money were interest in arrears and shall bear interest at the Interest Rate until payment is received by the Mortgagee (such interest to run from the date of payment by the Mortgagee) and shall be added to the Principal Sum and be a charge upon the Lands until repaid with interest as aforesaid; however, nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands

and without cost and expense to the Mortgagee will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee, acting reasonably, the Lands not be in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a period of 20 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor upon demand and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee and the Mortgagor shall not use the Lands or permit them to be used for the purpose other than as an office and retail building or buildings, without the consent of the Mortgagee.

3.5 Hazardous Substances

The Mortgagor represents, covenants and warrants to and in favour of the Mortgagee that:

- (a) neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands, save and except as disclosed to the Mortgagee in writing;
- (b) except in compliance with all applicable laws, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may be arbitrarily or unreasonably withheld;
- (c) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (d) to the extent that Hazardous Substances are, with the Mortgagee's consent, placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor; and
- (e) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located under or on the Lands, the Mortgagor shall:
 - (i) maintain and repair such storage tanks in a manner satisfactory to the Mortgagee, and
 - (ii) at the request of the Mortgagee, assign any warranties or guarantees received from the manufacturer or installer of such storage tanks in favour of the Mortgagee as additional security.

3.6 Indemnity

The Mortgagor hereby indemnifies and saves harmless the Mortgagee and its successors and assigns from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever including, without limitation:

- (a) the costs of defending, counter-claiming or claiming over against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;
- (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 (provided that, where the Mortgagor posts adequate security for such cost, liability or damage in favour of the Mortgagee, the Mortgagee will not settle any such action without the prior consent of the Mortgagor); and
- (c) the costs of repair, clean-up or restoration paid by the Mortgagee and any fines levied against the Mortgagee;

which at any time or from time to time may be paid, incurred or asserted against the Mortgagee, as to a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of Hazardous Substances from the Lands either onto any lands (including the Lands), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of the Mortgage or Collateral Security and the full repayment of the Mortgage Monies.

ARTICLE 4

4.1 Mortgagor's Representations and Warranties

The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor has a good title to the Lands;
- (b) the Mortgagor has the right to mortgage the Lands;
- (c) on default, the Mortgagee shall have quiet possession of the Lands, free from all encumbrances (except the Permitted Encumbrances);
- (d) the Mortgagor will execute such further assurances with respect to the Lands as may be required by the Mortgagee; and

- (e) the Mortgagor has done no act to encumber the Lands in priority to this Mortgage (except the Permitted Encumbrances).

ARTICLE 5

5.1 Default

Upon the occurrence of an Event of Default:

- (a) the Mortgagee may, at its option, and 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 any covenant, agreement, proviso or stipulation contained herein or contained in the Collateral Security;
- (b) the Mortgagee may send or employ an Inspector or Agent to inspect and report upon the value, state and condition of the Lands and a Solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (c) the Mortgagee may enter into possession of the Lands, either by itself or its agent, and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the Lands or any part thereof for such terms, periods, and at such rent as the Mortgagee shall think proper;
- (d) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (e) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (f) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and
- (g) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's right to interest at the Interest Rate set forth herein on any monies which are owing to the Mortgagee and such judgment shall provide that interest thereon shall be computed at the Interest Rate in the same manner as provided for herein until the judgment has been paid in full.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, or any Collateral Security, either with or without any consideration therefor, and without being accountable either for the value thereof or for any money except that which is actually received, and without thereby releasing or affecting any other of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 No Obligation to Advance

Neither execution nor registration nor acceptance of this Mortgage, nor the advance of part of the Mortgage Monies shall bind the Mortgagee to advance the Principal Sum or any unadvanced portion thereof, but nevertheless this Mortgage shall take effect forthwith on its execution and if the Principal Sum or any part thereof shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided.

5.5 Additional Charges

All monies expended by the Mortgagee (with or without the knowledge, consent, concurrence or acquiescence of the Mortgagor) in relation to:

- (a) solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage;
- (b) examining the Lands and the title thereto;
- (c) making or maintaining this Mortgage as a valid and subsisting charge (subject only to the Permitted Encumbrances) on the Lands;

- (d) principal, insurance premiums, Real Estate Taxes, utilities, or any Prior Charge;
- (e) maintaining, repairing, restoring or completing the Lands;
- (f) any actions, inspections, expenses or costs of the Mortgagee (or for which the Mortgagee is responsible) taken, ordered or incurred upon the occurrence of an Event of Default;
- (g) inspecting, leasing, managing, or improving the Lands, including the price or value of any goods of any sort or description supplied to be used on the Lands;
- (h) enforcing, attempting to enforce or in pursuance of any right, power, remedy or purpose under this Mortgage and, in particular, but without limiting the generality of the foregoing, in relation to any court proceedings initiated or defended by the Mortgagee in respect of this Mortgage; and
- (i) legal costs as between a solicitor and his own client (together with an allowance for the time, work and expenses of the Mortgagee, or of any agent, solicitor or servant of the Mortgagee) incurred or paid by the Mortgagee in relation to any of the above matters;

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing Monthly Instalment payable hereunder, except as herein otherwise provided. It is the express intention and agreement of the Mortgagor and Mortgagee that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with the preparation, registration and advance of this Mortgage and in enforcement of this Mortgage and the Collateral Security upon the occurrence of an Event of Default.

5.6 Right of Subrogation

If the Mortgage Monies advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, stand in the position of and be entitled to all the equities of the party so paid whether such charge or encumbrance has or has not been discharged. 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 shall be final and binding on the Mortgagor, absent manifest error.

5.7 Monies Received or Collected

The Mortgagee shall not be charged with any monies receivable or collectible out of the Lands or otherwise except those actually received. All revenue of the Lands received or collected by the Mortgagee from any source other than payment by the Mortgagor may, at the option of the Mortgagee, be retained in a suspense account or used in maintaining or insuring or improving the Lands, or in payment of Real Estate Taxes or other charges against the Lands, or applied on the mortgage account, and the Mortgagee shall not be under any liability to pay interest on any sums in a suspense account.

5.8 Discharge

The Mortgagee shall have a reasonable time after receipt of payment in full within which to have prepared and to execute a discharge of this Mortgage and the Collateral Security. A tender of the Mortgage Monies shall not entitle the Mortgagor to immediately receive such discharges.

5.9 Exercise of Discretion

Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised by an executive officer of the Mortgagee, or by any officer or agent appointed by the Mortgagee company for that purpose.

5.10 Default Under Prior Charge

If the Mortgagor makes default in the performance of the covenants, payments or conditions contained in any Prior Charge then such default shall constitute a default hereunder and the Mortgage Monies shall, at the option of the Mortgagee, become forthwith due and payable. The Mortgagee shall be at liberty in the event of such default, but shall not be obligated, to pay any arrears or other sums payable under the Prior Charge, or pay off all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the Mortgagee shall:

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee upon demand, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of Section 39 of the *Law of Property Act of Alberta*. It is the intention of the parties that the Mortgagee shall have the same rights and powers but not the liabilities as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once a default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the said Prior Charge, but only to the extent hereinbefore stipulated. Nothing herein contained shall create an obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

5.11 Attornment

For better securing the punctual payment of the Mortgage Monies the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Lands at a monthly rental equivalent to the Monthly Instalments secured hereby, the same to be paid on each day appointed for the payment of the Monthly Instalments, and upon the occurrence of an Event of Default such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder enter upon the Lands, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither shall this clause nor anything done by virtue thereof render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

ARTICLE 6

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons, whether an officer or officers or employee or employees of the Mortgagee or not, to be a Receiver of the Lands and assets which are charged in favour of the Mortgagee and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A Receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or

defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.

- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage and any additional or Collateral Security granted by the Mortgagor to the Mortgagee and for that purpose to take any proceedings, be they legal or otherwise, in the name of the Mortgagor or otherwise;
 - (ii) carry on or concur in carrying on the business which the Mortgagor is conducting on and from the Lands;
 - (iii) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iv) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof;
 - (v) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and the assets charged by the Collateral Security, and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a rate determined by the Receiver

and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.

- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Receiver appointed hereunder shall not be obligated to take possession or control of the whole of the business of the Mortgagor. Rather, the Mortgagee's right to appoint shall be restricted to the Lands and the rents, profits and any business deriving therefrom.

ARTICLE 7

7.1 Assignment of Rents

- (a) The Mortgagor does hereby fully and absolutely assign, transfer and set over to the Mortgagee all of the rents due or to accrue due and to be payable in respect of the Lands and any and every part thereof including but not restricted to any and all Leases and Rental Agreements of every nature, kind and description, present and future and all benefits and advantages to be derived therefrom and all the rights of the Mortgagor to enforce payment thereof, by way of distress or otherwise.
- (b) This Assignment shall be effective during the currency of the Mortgage.
- (c) Nothing contained herein shall be deemed to have the effect of making the Mortgagee responsible for the collection of the rents, or any part thereof, or for the performance of any covenant, term or condition by the Mortgagor as Landlord or Lessor, as contained in any Lease or Rental Agreement.
- (d) The Mortgagee shall not be entitled to enforce and rely upon this Assignment until the occurrence of an Event of Default.
- (e) The Mortgagee shall not, by reason of this paragraph or by reason of any steps, actions, distress or other proceedings taken to enforce any of the rights granted to it hereunder, be deemed to be or will be a mortgagee in possession of the Lands or any part thereof.
- (f) The Mortgagee shall be liable to account to the Mortgagor for only such monies as may be actually received by the Mortgagee.

- (g) Neither this Assignment or anything contained herein shall bind the Mortgagee to recognize any Lease or Rental Agreement with respect to the Lands or any part thereof, nor in any way render the interest of the Mortgagee in the Lands subject to any such Lease or Rental Agreement. All remedies now or hereafter available to the Mortgagee as described in this Mortgage or in any Collateral Security granted to the Mortgagee by the Mortgagor are hereby reserved to the Mortgagee and may be exercised notwithstanding any Lease, Rental Agreement or this Assignment.
- (h) The Mortgagor represents to the Mortgagee that no rental in excess of two monthly instalments in advance has been paid under any Lease or Rental Agreement in respect of the Lands or any part thereof and that the Mortgagor will not demand or accept in advance any rents reserved or payable under any Lease or Rental Agreement in excess of two monthly instalments without the prior consent of the Mortgagee.
- (i) When required by the Mortgagee, the Mortgagor will from time to time, assign to the Mortgagee the Mortgagor's interest in each and every specific Lease of the Lands and any and every part thereof.

7.2

Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform any Lessor's covenants which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of the Lessor's remedies thereunder following default on the part of any Lessee in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable Federal, Provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE 8

8.1 Construction

In the event that the Principal Sum is to be advanced hereunder from time to time upon the progress of construction of a building or buildings being or to be erected upon the Lands, then, and in such event:

- (a) it is the intention of the parties hereto that the building or buildings being erected or to be erected on the Lands form part of the security for the full amount of the Mortgage Monies;
- (b) all advances on this Mortgage shall be made from time to time in the future in accordance with the progress of construction of such building or buildings and shall be made in such manner, at such times, and in such amounts up to the Principal Sum to be advanced hereunder as the Mortgagee may determine in accordance with the terms of the Commitment Letter;
- (c) the Mortgagor covenants and agrees with the Mortgagee:
 - (i) to construct and erect a building or buildings or other improvements on the Lands all substantially in accordance with plans and specifications which have been or are hereafter approved by the Mortgagee, and
 - (ii) to carry on diligently to completion the construction and erection of the same;
- (d) the Mortgagee shall be at liberty, but shall not be obliged, to retain such sums as it may deem necessary as builders' lien holdbacks in the amount prescribed by the *Builders' Lien Act* of Alberta or other applicable legislation, which sums shall be held for such length of time, both during and after completion of the said building or buildings, as the Mortgagee may see fit;
- (e) upon the occurrence of an Event of Default, the Mortgagee may pay any builders' liens which may exist or be claimed, and it shall not be liable or responsible to determine the validity or correctness of any such claim;
- (f) in the event that the Mortgagee should pay any such liens to an amount greater than the Principal Sum, such excess amounts so paid shall be added to the Principal Sum, shall bear interest at the Interest Rate and shall be repaid by the Mortgagor to the Mortgagee forthwith;

- (g) if the Mortgagor should fail in the erection and completion of the said building or buildings or should neglect to carry on the work of erecting and completing same with reasonable diligence:
 - (i) the Mortgagee may, but shall not be obliged, without notice to the Mortgagor, enter upon the Lands and take possession thereof with power to carry on the erection and completion of the said building or buildings and with discretion to alter the plans and specifications if it deems necessary in order to complete the same,
 - (ii) if the Mortgagee should be unable properly to complete the same with the Principal Sum, the Mortgagee may in its sole discretion advance or lay out such further monies as may be so required and such further monies to be advanced or laid out by the Mortgagee shall be added to the Principal Sum and:
 - A. be repaid by the Mortgagor to the Mortgagee forthwith on demand,
 - B. accrue interest at the Interest Rate as if the money were interest in arrears until payment is received by the Mortgagee (such interest to run from the date of payment by the Mortgagee),
 - C. be a charge upon the Lands until repaid with interest as aforesaid.

ARTICLE 9

9.1 Expropriation and Condemnation

- (a) If the Lands or any part thereof are condemned under any power of eminent domain or are acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Mortgage Monies and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands are taken in the expropriation without resulting damage to the buildings and improvements or any part thereof, or if a portion of the Lands is taken in such expropriation proceedings with resulting damage to the buildings and improvements and the amount of the award made therein is based on a determination that the portion of the buildings

and improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated, then the provisions of this Mortgage relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

- (b) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act*, Chapter E-16, Statutes of Alberta, 1980, and any amendments thereto (dealing with the situation where, in the event of an expropriation of lands subject to a security interest, the amount owing to the security holder is greater than the market value of the interest in the expropriated land) and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. In addition, the Mortgagor covenants to pay any difference between the Mortgage Monies and the monies paid by the expropriating authority to the Mortgagee together with interest thereon at the Interest Rate both before and after maturity, default and the obtaining of any judgment by the Mortgagee.
- (c) Notwithstanding the foregoing subparagraphs (a) and (b) the Mortgagee shall be at liberty, at its sole option, to declare the whole of the Mortgage Monies as being immediately due and payable in the event that any material portion of the Lands shall be the subject matter of an expropriation proceeding.
- (d) Any monies awarded by an order of either the Land Compensation Board or the Surface Rights Board with respect to all or any part of the Lands to the extent of the full amount of the Mortgage Monies are herewith assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns.

ARTICLE 10

10.1 Condominium

If the Lands or any portion thereof is now subject to or becomes subject to a condominium plan duly created pursuant to the provisions of the *Condominium Property Act*, then:

- (a) The Mortgagor hereby fully and absolutely assigns, transfers and sets over unto the Mortgagee, any and all of the Mortgagor's voting rights now existing or which may come into existence with respect to the Lands, and with respect to the Condominium Corporation whether such voting rights arise under the *Condominium Property Act*, under the Bylaws of the

Condominium Corporation, under any agreement with the Condominium Corporation, or otherwise. The Mortgagor covenants and agrees to execute any materials or documentation which in the sole opinion of the Mortgagee is necessary or advisable to give full effect to such assignment, transfer and setting over of the voting rights. Provided, however, that in the event that the Mortgagee is not present in person or by proxy, or if present, does not wish to vote, then the Mortgagor may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the Mortgagee may, by notice in writing to the Mortgagor, revoke and terminate all voting rights and privileges of the Mortgagor.

- (b) It is further stipulated, provided and agreed that notwithstanding anything to the contrary herein contained:
 - (i) the Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall observe and perform each and every one of the covenants and provisions required to be performed under or pursuant to the terms of this Mortgage, the *Condominium Property Act* the bylaws of the Condominium Corporation and any amendments thereto, and under any agreement between the Mortgagor and the Condominium Corporation, and
 - (ii) without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all assessments, instalments or payments owing to the Condominium Corporation in relation to the Lands.

- (c) The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision contained in this Section, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor:
 - (i) firstly, may, but shall not be obliged to, pay such contribution to the common expenses, assessment, instalment or payment owing to the Condominium Corporation or rectify any such default or breach by the Mortgagor and all monies so paid and expended by the Mortgagee shall be secured hereby and shall be a charge on the Lands together with interest thereon at the Interest Rate and all such monies shall be

repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing Monthly Instalment; and

- (ii) secondly, may deem such default to be a default under the terms of this Mortgage and proceed to exercise its rights hereunder.

ARTICLE 11

11.1 Interpretation

Wherever the singular number or masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires. In any case, where this Mortgage is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several. The respective successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.

11.2 Permitted Encumbrances

The parties acknowledge that this Mortgage is to be registered subject only to the Permitted Encumbrances.

11.3 Renewal or Extension

In the event that the Mortgagee shall agree to renew or extend the term of this Mortgage, such renewal or extension agreement need not be registered against the title to the Lands, but the agreement shall be binding upon the Mortgagor, its assignees, and all subsequent mortgagees, encumbrancers or other parties claiming an interest in the Lands. Such agreement shall take priority as against such assignees and subsequent mortgagees, encumbrancers and other parties. It is expressly acknowledged that such agreement may increase the rate of interest chargeable hereunder.

11.4 Commitment Letter Not Merged

The provisions of the Commitment Letter, all as accepted by the Mortgagor, are not superseded by or merged in the execution or registration of the Mortgage or any additional and Collateral Security and the provisions of the Commitment Letter shall remain in full force and effect until all of the conditions thereof to be observed and performed by the Mortgagor have been fully paid and satisfied, provided however that in the event of a

conflict between the terms of the Commitment Letter and the terms of this Mortgage or the Collateral Security, the terms of the Commitment Letter shall prevail.

11.5 Administration Fee

In the event of the occurrence of an Event of Default, then the Mortgagee shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements an administration and management fee not to exceed \$100.00 for each month or part thereof for which the Mortgagor remains in default. This administration and management fee is intended to reimburse the Mortgagee for time and trouble in the management and administration of this Mortgage and of the Lands. The said sum or sums are agreed to be a liquidated amount to cover the Mortgagee's administration and management costs and are not intended nor shall be construed to be a penalty. All such sums payable to the Mortgagee shall be a charge upon the Lands and shall bear interest at the Interest Rate until paid.

11.6 Pre-Authorized Cheque Withdrawal

The Mortgagor shall continue throughout the currency of this Mortgage to provide to the Mortgagee, at the Mortgagee's request, documentation so as to effect a pre-authorized cheque withdrawal for the purposes of paying the Monthly Instalments.

11.7 Financial Records

The Mortgagor shall:

- (a) maintain proper records and books of account with respect to the revenues and expenditures in relation to the Lands;
- (b) permit the Mortgagee or any person appointed by the Mortgagee for that purpose to examine such records and books at all reasonable times, to make copies or extracts therefrom;
- (c) give to the Mortgagee all information with regard to the revenues and expenditures in relation to the Lands which the Mortgagee may reasonably require;
- (d) furnish to the Mortgagee annually within 120 days of the end of each of the fiscal years of the Mortgagor, a balance sheet and a statement of operations for the preceding year for the Lands, a detailed statement of income and expenditures and a statement of earned surplus, in each case with supporting schedules and an explanation of any items of an unusual nature, together with such additional information as the Mortgagee may from time to time reasonably require;

- (e) furnish the Mortgagee with copies of every audited financial statement or statements (if any) as may be prepared from time to time respecting the Lands; and
- (f) furnish the Mortgagee with an annual statement of income and expenditures with supporting schedules and an explanation of any items of an unusual nature respecting the Lands, certified by an officer of the Mortgagor.

The Mortgagee shall at any time and from time to time at its own expense, be at liberty to have an audit made of the books and accounts of the Mortgagor, related to the Mortgagor's operations with respect to the Lands, and for such purposes the Mortgagor shall make available to the Mortgagee and its accountants all books of account and records and all vouchers, books, papers and documents which may relate to the Lands.

11.8 Collateral Security

As additional and collateral security for the repayment of the monies hereby secured and the performance of the covenants contained herein, the Mortgagor shall execute and deliver the Collateral Security to the Mortgagee. None of the rights or remedies of the Mortgagee under this Mortgage or under the Collateral Security shall be merged in, waived, delayed, impaired, prejudiced or suspended by the Collateral Security or any act of the Mortgagee pursuant thereto.

11.9 Default Under Collateral Security

- (a) If the Mortgagor or any guarantor makes default under the Collateral Security, the same shall constitute an Event of Default under this Mortgage.
- (b) It is understood and agreed that the occurrence of an Event of Default shall constitute a default under the Collateral Security.

11.10 Notices

- (a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this Mortgage or by the *Rules of Court of Alberta, The Judicature Act of Alberta, Chapter J-1, Revised Statutes of Alberta, 1980*, and any amendments thereto, *The Law of Property Act, Chapter L-8, Revised Statutes of Alberta, 1980*, and any amendments thereto, as a result of a default by the Mortgagor, including but not restricted to any Statement of Claim issued by the Mortgagee or a Mortgagee's Notice of Motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.

beneficial, of that corporation shall constitute an event as hereinbefore described such that the Mortgagee's prior written consent as aforesaid is to be obtained, failing which, such transaction shall, at the Mortgagee's option, constitute an Event of Default.

11.16 Assumption and Amendment

The Mortgagor, together with any other party who becomes liable hereunder shall continue to be liable under this Mortgage until all of the Mortgage Monies have been paid in full notwithstanding:

- (a) the assumption of the Mortgage by any party, with or without the consent of the Mortgagee or the Mortgagor; and
- (b) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or the Monthly Instalments, or any extension or reduction in the length of the Term but not including any increase in the Principal Sum) with or without the consent of the Mortgagee or the Mortgagor.

11.17 Unenforceable Terms

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

11.18 Subsequent Encumbrances

The Mortgagor shall not grant any other financial encumbrance which charges the Lands without the prior written consent of the Mortgagee, not to be unreasonably withheld.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on July 7, 2016.

PLAZA 1000 LTD.

Per:  _____

Per: _____

(E0189592.DOC;1)

(B2074086.DOC;3)

SCHEDULE "A"

to that certain Mortgage made on July 7, 2016, between
PLAZA 1000 LTD. (as Mortgagor) and OTÉRA CAPITAL INC.
(as Mortgagee).

Mortgaged Lands

PLAN A1
BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET
AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE
PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7
FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)

PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

- and -

PLAN A1
BLOCK 36
LOTS 25 TO 32 INCLUSIVE

Permitted Encumbrances

Caveat registered as 821 059 362

Caveat re: Assumption Agreement as 951 267 030

Caveat re: Lease as 021 156 491

Caveat re: Lease as 021 156 492

SCHEDULE "B"

to that certain Mortgage made on July 7, 2016, between PLAZA 1000 LTD. (as Mortgagor) and OTÉRA CAPITAL INC. (as Mortgagee).

Collateral Security

- (a) General Assignment of Rents and Leases;
- (b) Security Agreement;

THIS IS EXHIBIT "G" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec





LAND TITLE CERTIFICATE

B
LINC SHORT LEGAL TITLE NUMBER
0017 910 928 SA1;36;21-24 161 198 193 +1

LEGAL DESCRIPTION

PLAN A1
BLOCK 36
THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24
EXCEPTING THEREOUT: (AS TO SURFACE)
PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

ATS REFERENCE: 5;1;24;16
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 951 165 889

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
161 198 193	23/08/2016	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

PLAZA 1000 LTD.
OF C/O COPEZ PROPERTIES LTD
130, 707 - 10 AVENUE SW
CALGARY
ALBERTA T2R 0B3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
821 059 362	06/04/1982	CAVEAT CAVEATOR - THE CITY OF CALGARY.

(CONTINUED)

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
 # 161 198 193 +1

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

951 267 030 22/11/1995 CAVEAT
 RE : ASSUMPTION AGREEMENT
 CAVEATOR - THE CITY OF CALGARY.
 CITY SOLICITOR, CITY HALL
 12 FL., 800 MACLEOD TRAIL SE
 CALGARY
 ALBERTA
 AGENT - CHRISTOPHER S DAVIS

021 156 491 08/05/2002 CAVEAT
 RE : LEASE , ETC.
 CAVEATOR - NOVA CHEMICALS CORPORATION.
 C/O PO BOX 2518, STATION "M"
 CALGARY
 ALBERTA T2P5C6
 AGENT - SHERRI L FOUNTAIN
 "SEE INSTRUMENT FOR INTEREST"

021 156 492 08/05/2002 CAVEAT
 RE : LEASE , ETC.
 CAVEATOR - NOVA CHEMICALS CORPORATION.
 C/O 1000-7TH AVENUE SW
 CALGARY
 ALBERTA
 AGENT - SHERRI L FOUNTAIN
 "SEE INSTRUMENT FOR INTEREST"

161 198 204 23/08/2016 MORTGAGE
 MORTGAGEE - OTERA CAPITAL INC.
 OTERA CAPITAL INC
 413 RUE ST-JACQUES-BUREAU/SUITE 700
 MONTREAL
 QUEBEC H2Y1N9
 ORIGINAL PRINCIPAL AMOUNT: \$21,575,000
 (DATA UPDATED BY: CHANGE OF ADDRESS 171001549)

161 198 205 23/08/2016 CAVEAT
 RE : ASSIGNMENT OF RENTS AND LEASES
 CAVEATOR - OTERA CAPITAL INC.
 C/O BROWNLEE LLP
 #2200, 10155 - 102 STREET
 EDMONTON
 ALBERTA T5J4G8
 AGENT - SEAN F J CURRAN

161 198 206 23/08/2016 MORTGAGE
 MORTGAGEE - 255848 ALBERTA LTD.
 C/O COPEZ PROPERTIES LTD
 SUITE 130, 707 - 10 AVENUE SW

(CONTINUED)

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CALGARY
ALBERTA T2R0B3
ORIGINAL PRINCIPAL AMOUNT: \$2,650,000

161 198 207 23/08/2016 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - 255848 ALBERTA LTD.
C/O COPEZ PROPERTIES LTD
130, 707 - 10 AVENUE SW
CALGARY
ALBERTA T2R0B3
AGENT - MICHAEL DYCK

TOTAL INSTRUMENTS: 008

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 2 DAY OF
FEBRUARY, 2023 AT 12:53 P.M.

ORDER NUMBER: 46406655

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

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

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

B
LINC SHORT LEGAL TITLE NUMBER
0017 570 939 SA1;36;25-32 161 198 193

LEGAL DESCRIPTION

PLAN A1
BLOCK 36
LOTS 25 TO 32 INCLUSIVE

ATS REFERENCE: 5;1;24;16
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 951 165 888

REGISTRATION	DATE (DMY)	REGISTERED OWNER(S) DOCUMENT TYPE	VALUE	CONSIDERATION
161 198 193	23/08/2016	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

PLAZA 1000 LTD.
OF C/O COPEZ PROPERTIES LTD
130, 707 - 10 AVENUE SW
CALGARY
ALBERTA T2R 0B3

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
821 059 362	06/04/1982	CAVEAT CAVEATOR - THE CITY OF CALGARY.
021 156 491	08/05/2002	CAVEAT RE : LEASE , ETC. CAVEATOR - NOVA CHEMICALS CORPORATION. C/O PO BOX 2518, STATION "M" CALGARY

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTSPAGE 2
161 198 193REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T2P5C6
AGENT - SHERRI L FOUNTAIN
"SEE INSTRUMENT FOR INTEREST"

021 156 492 08/05/2002 CAVEAT
RE : LEASE , ETC.
CAVEATOR - NOVA CHEMICALS CORPORATION.
C/O 1000-7TH AVENUE SW
CALGARY
ALBERTA
AGENT - SHERRI L FOUNTAIN
"SEE INSTRUMENT FOR INTEREST"

161 198 204 23/08/2016 MORTGAGE
MORTGAGEE - OTERA CAPITAL INC.
OTERA CAPITAL INC
413 RUE ST-JACQUES-BUREAU/SUITE 700
MONTREAL
QUEBEC H2Y1N9
ORIGINAL PRINCIPAL AMOUNT: \$21,575,000
(DATA UPDATED BY: CHANGE OF ADDRESS 171001549)

161 198 205 23/08/2016 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - OTERA CAPITAL INC.
C/O BROWNLEE LLP
#2200, 10155 - 102 STREET
EDMONTON
ALBERTA T5J4G8
AGENT - SEAN F J CURRAN

161 198 206 23/08/2016 MORTGAGE
MORTGAGEE - 255848 ALBERTA LTD.
C/O COPEZ PROPERTIES LTD
SUITE 130, 707 - 10 AVENUE SW
CALGARY
ALBERTA T2R0B3
ORIGINAL PRINCIPAL AMOUNT: \$2,650,000

161 198 207 23/08/2016 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - 255848 ALBERTA LTD.
C/O COPEZ PROPERTIES LTD
130, 707 - 10 AVENUE SW
CALGARY
ALBERTA T2R0B3
AGENT - MICHAEL DYCK

221 230 369 21/10/2022 CAVEAT

(CONTINUED)

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

RE : LEASE INTEREST
CAVEATOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA
MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES
CANADA
REALPROPERTY SERVICES
10 FLR CANADA PL
9700 JASPER AVE
EDMONTON
ALBERTA T5J4C3
AGENT - CHRISTIE KOCH

TOTAL INSTRUMENTS: 008

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 2 DAY OF
FEBRUARY, 2023 AT 12:53 P.M.

ORDER NUMBER: 46406658

CUSTOMER FILE NUMBER:




END OF CERTIFICATE

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

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

THIS IS EXHIBIT "H" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



Search ID #: Z15815797

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #:

Search ID #: Z15815797

Date of Search: 2023-Feb-02

Time of Search: 10:16:47

Business Debtor Search For:

PLAZA 1000 LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z15815797

Business Debtor Search For:

PLAZA 1000 LTD.

Search ID #: Z15815797

Date of Search: 2023-Feb-02

Time of Search: 10:16:47

Registration Number: 15122920592

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Dec-29

Registration Status: Current

Expiry Date: 2040-Dec-29 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

16071935595

Amendment

2016-Jul-19

Debtor(s)

Block

Status

Current

1 PLAZA 1000 LTD.
300, 707-10TH AVENUE S.W.
CALGARY, AB T2R 0B3

Secured Party / Parties

Block

Status

Deleted by
16071935595

1 CDPQ MORTGAGE INVESTMENT CORPORATION
413 ST. JACQUES STREET, SUITE 700
MONTREAL, QC H2Y 1N9

Block

Status

Current by
16071935595

2 OTERA CAPITAL INC.
413 ST. JACQUES STREET, SUITE 700
MONTREAL, QC H2Y 1N9

Search ID #: Z15815797

Collateral: General

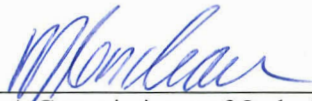
<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>ALL THE PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR (THE "COLLATERAL"). PROCEEDS: INSTRUMENTS, MONEY, ACCOUNTS AND CHATTEL PAPER AND INSURANCE PROCEEDS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (ALBERTA)).</p> <p>THE SECURITY INTEREST GRANTED BY THE DEBTOR TO THE SECURED PARTY IS IN RESPECT OF ALL COLLATERAL NOW OR HEREAFTER RELATING TO, ATTACHED TO, LOCATED ON, OR ARISING FROM, OR USED OR PURCHASED IN CONNECTION WITH THE LANDS (AS DEFINED BELOW) WHETHER OR NOT IT CONTINUES TO BE SITUATE ON OR USED IN CONNECTION WITH THE LANDS. LANDS MEANS THE LANDS AND PREMISES LEGALLY DESCRIBED AS: PLAN A1, BLOCK 36, LOTS 21 TO 24 AND LOTS 25 TO 32 AND MUNICIPALLY KNOWN AS 1000-7TH AVENUE S.W., CALGARY, ALBERTA.</p>	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>THE FULL NAME OF THE SECURED PARTY IS AS FOLLOWS: CDPQ MORTGAGE INVESTMENT CORPORATION / CORPORATION D'INVESTISSEMENT HYPOTHECAIRE CDPQ 413 ST. JACQUES STREET, SUITE 700 MONTREAL, QC H2Y 1N9</p>	Deleted By 16071935595
2	<p>THE SECURED PARTY'S NAME PRIOR TO AMALGAMATION WAS AS FOLLOWS: CDPQ MORTGAGE INVESTMENT CORPORATION / CORPORATION D'INVESTISSEMENT HYPOTHECAIRE CDPQ 413 ST. JACQUES STREET, SUITE 700 MONTREAL, QC H2Y 1N9</p>	Current By 16071935595

Result Complete

THIS IS EXHIBIT "I" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



THIS PRIORITY AND STANDSTILL AGREEMENT is dated the 7th day of July, 2016.

BETWEEN:

255848 ALBERTA LTD.
(the "Subordinate Lender")

AND:

OTÉRA CAPITAL INC.
(the "Lender")

AND:

PLAZA 1000 LTD.
(the "Borrower")

WHEREAS:

- A. The Borrower is the registered owner of the lands described in Schedule "A" of this Agreement (the "Lands").
- B. As security for a loan (the "Subordinate Loan"), the Subordinate Lender hold or may in the future hold security in respect of the Lands and Personal Property (hereinafter defined) (collectively, the "Subordinate Security") from the Borrower, including, among others:
 - (i) a mortgage inclusive of an assignment of rents to secure the principal sum of **\$2,650,000.00** granted by the Borrower filed in the Land Title Office under number **161 198 206** and as a charge against the Lands;
 - (ii) a security interest over any property, assets, choses in action and undertaking of the Borrower located on the Lands or used or which relate exclusively or primarily to or in connection with the Lands (the "**Personal Property**"), registered at the Personal Property Registry of Alberta under registration number _____ registered against the Borrower (as debtor) by the Subordinate Lender (as secured party);
 - (iii) a general assignment of rents and leases filed by caveat in the Land Title Office under number **161 198 207** as a charge against the Lands; and
 - (iv) any additional collateral security in connection with the Subordinate Loan in favour of the Subordinate Lender.
- C. As security for a loan (the "Loan") in the principal sum of **\$21,575,000.00**, the Lender holds or may in the future hold security in respect of the Lands and the

Personal Property (collectively, the "Lender's Security") from the Borrower, including, among others:

- (i) a mortgage (the "First Mortgage") inclusive of an assignment of rents in the amount of \$ 21,575,000.00 filed in the Land Title Office under number 161 198 204 as a charge against the Lands;
- (ii) a security interest over the Personal Property, registered at the Personal Property Registry of Alberta under number 15122920592 registered against the Borrower (as debtor), in each case by the Lender (as secured party);
- (iii) a general assignment of rents and leases filed by caveat in the Land Title Office under number 161 198 205 as a charge against the Lands; and
- (iv) any additional collateral security in connection with the Loan in favour of the Lender;

D. It is a condition, among others, of the Lender making any advance to the Borrower that the Subordinate Lender executes and delivers this Agreement pursuant to which the Subordinate Security will at all times be postponed and subordinate to the Lender's Security.

Now therefore, this Agreement witnesses that, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which is acknowledged by the Subordinate Lender, the Subordinate Lender agrees with the Lender as follows:

1. Subordinate Lender Representations and Warranties

The Subordinate Lender represents and warrants that:

- (a) it has not assigned its interest in the Subordinate Loan or the Subordinate Security;
- (b) the Subordinate Loan or the Subordinate Security is not in default;
- (c) the security referred to in Recital B constitutes all of the Subordinate Security in respect of the Subordinate Loan;
- (d) it will disclose and provide copies for approval to the Lender of all the Subordinate Security;
- (e) it is entitled to all of the moneys secured by the Subordinate Loan and Subordinate Security.

3. Subordinate Lender's Waiver of Default

The Subordinate Lender hereby waives in favour of the Borrower any default under the Subordinate Loan or the Subordinate Security that would otherwise have occurred by reason of the Borrower having granted the Lender's Security and hereby declares that the Borrower is not and will not at any time hereafter be deemed to be or have been in default under the Subordinate Loan or the Subordinate Security by virtue of having granted the Lender's Security. For greater certainty, a default by the Borrower under the Lender's Security shall constitute a default under the Subordinate Security.

4. Grant of Priority

The Subordinate Lender hereby grants to the Lender priority over the interests that it has in the Lands, the rents derived therefrom and the Personal Property located on the Lands or used or which relate to the Lands by virtue of the Subordinate Security, including all proceeds of insurance and proceeds of expropriation relative to the Lands, and does hereby postpone all its right, title and interest in and to the Subordinate Security and the Lands and such assets with and to the intent that the interests of the Subordinate Lender therein will be subject to the rights of the Lender under the Lender's Security as though the Lender's Security had been granted and delivered, registered or otherwise processed and the Loan advanced thereunder in point of time prior to the execution, delivery or registration of the Subordinate Security.

5. Facilitation of Project

The Subordinate Lender covenants and agrees with the Lender to execute and deliver, promptly on request, all such subdivision plans, air space plans, strata plans, consents, building schemes, rights of way, easements, land use contracts and other similar instruments and amendments thereto and priority agreements in connection therewith with respect to the development of the project as the Lender and the Borrower may execute and as the Lender may reasonably require.

6. Realization Proceedings

The Subordinate Lender covenants and agrees with the Lender that, until the Loan has been paid in full and the Lender's Security has been released and discharged, unless it obtains the prior written consent of the Lender, which the Lender in its unfettered discretion may provide or withhold as it sees fit, it will not:

- (a) take any steps to realize on the Subordinate Security or any part thereof with respect to the Lands or the Personal Property otherwise pursue or enforce any of its rights or remedies thereunder; or
- (b) make or permit any amendment to be made to the Subordinate Security or any part thereof, without the approval of the Lender.

8. Further Subordinate Lender Agreements

The Subordinate Lender acknowledges, agrees, covenants and confirms to and with the Lender that:

- (a) the right of the Lender to arbitrarily withhold its consent pursuant to paragraph 6 hereof is reasonable and consistent with the protection of the legitimate business interests of the Lender;
- (b) any action taken by the Subordinate Lender in breach of the provisions of paragraph 6 hereof could have a material adverse effect on the continuing operation, viability and financial stability of the Borrower and will not be binding on or of any force or effect against the Lender, and the Lender may bring any proceedings in the nature of specific performance, injunction or other equitable remedy to enforce its rights under this Agreement, it being acknowledged by the Subordinate Lender that damages at law may be an inadequate remedy for a default, breach or threatened breach of this Agreement;
- (c) if the Lender seeks to appoint a receiver or a receiver manager, whether pursuant to the powers contained in the Lender's Security or pursuant to a Court Order, the Subordinate Lender will not take any steps to oppose such appointment and will consent thereto; and
- (d) the Subordinate Lender will deliver to the Lender copies of any notices of default which they give to the Borrower at the same time as it delivers such notices to the Borrower.

9. Partial Discharges of Security - Intentionally Deleted

10. Payments

- (a) The Subordinate Lender shall not, until the Loan has been repaid in full and the Lender's Security has been released and discharged, receive or accept any payment, prepayment, set off or otherwise (except as set out below with respect to interest) of all or any portion of the principal secured by the Subordinate Security. Notwithstanding the foregoing, the Borrower may continue to make regular monthly payments to the Subordinate Lender pursuant to the terms of the Subordinate Loan, such payments not to exceed the sum of \$321,500.00 per month.
- (b) The Subordinate Lender shall not at any time during the occurrence and continuance of an event of default under the Lender's Security, receive or accept any payment, prepayment, set off including any payment of interest. The Subordinate Lender shall otherwise be entitled to receive payments of interest in accordance with the terms of the Subordinate Security approved by the Lender.

11. Payments in Trust

Any payment of the amount secured by the Subordinate Security received by the Subordinate Lender in contravention of the terms of this Agreement shall be held in trust for the Lender and the Subordinate Lender will immediately turn over any such

payments to the Lender, without further notice or demand, which payment will be applied on the Loan.

12. Lender's Representations and Warranties

The Lender represents and warrants that:

- (a) it has not assigned its interest in the Lender's Security;
- (b) the Lender's Security is not in default; and
- (c) the Lender is entitled to all of the moneys secured by the Lender's Security.

13. Lender's Waiver of Default

The Lender hereby waives in favour of the Borrower any default under the Loan or the Lender's Security that would otherwise have occurred by reason of the Borrower having granted the Subordinate Security and hereby declares that the Borrower is not and will not at any time hereafter be deemed to be or have been in default under the Loan or the Lender's Security by virtue of having granted the Subordinate Security or by virtue of making any payment of interest which payment is made in compliance with Section 9 hereof.

14. Claims

The Subordinate Lender will not make any assertion, claim or argument in any action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity or effectiveness of the Lender's Security or the charges, liens and security interests granted to the Lender under or in connection with the Lender's Security. Subject to the priority granted to the Lender's Security herein, the Lender will not make any assertion, claim or argument in any action, suit or proceeding of any nature whatsoever in any way challenging the validity or effectiveness of the Subordinate's Security or the charges, liens and security interests granted to the Subordinate Lender under or in connection with the Subordinate Security.

15. Lender's Rights

The Lender may at any time and from time to time, without the consent of the Subordinate Lender and without incurring responsibility to the Subordinate Lender and without impairing or releasing any of the rights or the obligations of the Lender hereunder:

- (a) change the amount, manner, place or terms of payment or change or extend the time of payment of or increase, renew or alter its lending arrangements with the Borrower and/or the Lenders Security, or any part thereof, waive non-performance by the Borrower of or amend, alter, extend, supplement or replace the Lender's Security and/or the agreements related thereto in any manner, or enter into or amend, supplement or replace in any manner any other agreement with the Borrower;
- (b) sell, exchange, release or otherwise enforce its rights against or deal with all or

any part of any property at any time pledged or mortgaged by any party to secure the Loan or any part thereof;

- (c) release the Borrower, any covenantor or guarantor of the Loan or any other party liable in any manner for the payment or collection of the Loan;
- (d) exercise or refrain from exercising any rights against the Borrower or others (including the Subordinate Lender) or exercise rights against the Borrower, their property or any other party at any time and in any order; and
- (e) apply any sums paid by any party to the Loan in any manner or order as determined by the Lender.

16. Acceleration

Nothing herein contained shall compel the Lender at any time to accelerate the Loan or commence any action or enforcement proceeding under the Lender's Security. The Subordinate Lender acknowledges that all rights and remedies which the Lender may have under the Lender's Security and related agreements and hereunder are cumulative and not alternative rights and remedies. Nothing herein contained shall compel or entitle the Subordinate Lender at any time to accelerate its loan or commence any action or enforcement proceedings under the Subordinate Security.

17. Assignment of Subordinate Security

The Subordinate Lender shall not assign the Subordinate Security or any portion thereof without the prior written consent of the Lender (which consent may be withheld at the sole discretion of the Lender) and without first obtaining from the assignee and delivering to the Lender a written acknowledgement that the assignment is subject to the terms of this Agreement. The Lender will not assign the Lender's Security or any portion thereof without first obtaining from the assignee a written acknowledgement that the assignment is subject to the terms of the Agreement.

18. Bankruptcy or Insolvency of Borrower

In the event of the bankruptcy or winding up of the Borrower, or any composition with creditors or scheme of arrangement, any and all dividends or other monies which may be due or payable to the Subordinate Lender in respect of debts or claims of the Subordinate Lender against the Borrower are hereby assigned and transferred to and shall be due and paid firstly to the Lender to be applied to the Loan, with excess, if any, to be paid to the Subordinate Lender to be applied to the Subordinate Loan. Nothing herein shall give rise to any obligation or liability on the part of the Lender in respect of the Subordinate Lender, and the Lender shall not be responsible for receiving or administering any such funds on behalf of the Subordinate Lender.

19. Lender Notices

The Lender will endeavor to deliver to the Subordinate Lender copies of any notices of default which it gives to the Borrower at the same time as it delivers such notices to the Borrower. The Lender will incur no liability whatsoever, nor will any of its rights be affected by the failure to deliver notice of default to the Subordinate Lender.

20. Agreement by Borrower

The Borrower consents to the exchange between the Lender and the Subordinate Lender of any information relating to the Borrower, the Lands, the Loan, the Lender's Security and the Subordinate Security, accepts and agrees to be bound by this Agreement and agrees not to make to the Subordinate Lender payments not authorized in this Agreement.

21. Enurement

This Agreement will be binding on and enure to the benefit of the parties hereto and their respective successors and assigns.

22. Headings

All headings in this Agreement are inserted only for convenience of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

23. Registration

This agreement shall not be registered on title to the Lands.

24. Notice

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered personally upon the party for whom it is intended, or transmitted by facsimile transmission, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of:

If to Subordinate Lender, addressed as follows:

255848 Alberta Ltd.
Suite 130, 707 – 10 Avenue SW
Calgary Alberta T2R 0B3
Attention: Robert Proud
Facsimile Number: (587) 317-2929

If to Lender, addressed as follows:

Otéra Capital Inc.
55 University Avenue, Suite 1701
Toronto, Ontario M5J 2H7

Attention: Vice President, Real Estate Lending
Facsimile Number : 416-360-8709

with a copy to:

Otéra Capital Inc.
413 St-Jacques Street, Suite 700
Montréal, Québec H2Y 1N9

Attention: Legal Affairs
Facsimile Number: 514-847-2397

or to such other address or number as a party may from time to time direct in writing.

Any such notice, (i) if delivered personally, shall be deemed to be delivered on the date of delivery thereof, (ii) if transmitted by facsimile transmission prior to 4:00 p.m. on any Business Day shall be deemed to have been delivered on the date of transmission and if delivered by facsimile transmission after 4:00 p.m. on any Business Day shall be deemed to have been delivered on the next following Business Day or (iii) if mailed as aforesaid, the 4th Business Day following the date of mailing. For the purposes hereof, personal delivery, including delivery by way of a courier service, shall be made by delivery to an officer, director or responsible employee of the party for whom it is intended at its address set out above. If on the date of mailing or on or before such 4th Business Day thereafter there is a general interruption in the operation of postal service in Canada, notices shall be delivered personally or by facsimile transmission. Each party may, from time to time, change its address or stipulate an address different from the address set out above by giving notice thereof to each other party in the manner provided in this Section. A "**Business Day**" is a day, excluding Saturdays, Sundays and statutory holidays on which the offices of the Lender are open for commercial business in Montréal, Québec and Toronto, Ontario.

25. Governing Law

This Agreement and all matters arising under it will be construed in accordance with the laws of Alberta.


26. Counterpart

This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the same date as this Agreement. This Agreement shall be considered properly executed by any party if executed and transmitted by facsimile to the other parties.

[Signature pages follow]

IN WITNESS WHEREOF the Parties have executed this Agreement.

255848 ALBERTA LTD.

By: 
Name: Lynne Kovacs
Title: Secretary

By: _____
Name:
Title:

I/we have the authority to bind the corporation.

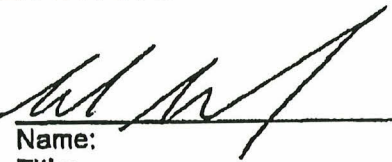
OTÉRA CAPITAL INC.

By: 
Name: Roy Lall
Title: Authorized Signatory

By: 
Name: Vincent Spina
Title: Authorized Signatory

I/we have the authority to bind the corporation.

PLAZA 1000 LTD.

By: 
Name:
Title:

By: _____
Name:
Title:

I/we have the authority to bind the corporation.

SCHEDULE "A"

LANDS

PLAN A1

BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)
PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

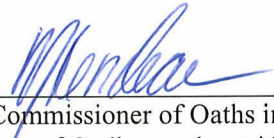
- and -

PLAN A1

BLOCK 36

LOTS 25 TO 32 INCLUSIVE

THIS IS EXHIBIT "J" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



February 2, 2023

Via Registered Mail and E-Mail

Elizabeth Burton
Direct +1 403 298 1954
elizabeth.burton@gowlingwlg.com
File no. A170537

Plaza 1000 Ltd.
4300 Bankers Hall West, 888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Email: ABREMINDERS@STIKEMAN.COM

-and-

Plaza 1000 Ltd.
c/o Copez Properties Ltd.
130, 707 10th Ave SW
Calgary, Alberta T2R 0B3
403-476-8924
Attn: Robert Proud
Email: rproud@copez.com

Dear Sirs:

Re: Surrender of Lease between Plaza 1000 Ltd. (“Plaza”) and Nova Chemicals Corporation (“Nova”) dated April 10, 2002, as amended, renewed, extended and otherwise modified from time to time (collectively the “Lease”) with respect to Plaza 1000 located at 1000-7th Avenue SW, Calgary, Alberta (the “Premises”)

We are writing with respect to the above captioned matter as counsel to Otéra Capital Inc. (“Otéra”), the mortgagee of property in which the Premises is located (the “Property”). We understand that Nova, as tenant of the Premises, has surrendered over the Lease to Plaza, as landlord of the Premises, without the expression written consent of Otéra as mortgagee of the Property.

Pursuant to Section 22.2 of the commitment letter dated March 15, 2022 (as amended and otherwise modified from time to time) (the “Commitment Letter”), Plaza shall not, without the prior written consent of Otéra, terminate or accept the surrender of any lease, and doing so shall constitute a default under the Commitment Letter.

Pursuant to Section 1.1(h) of the mortgage dated May 13, 2002, assumed by Plaza by way of a Mortgage Assumption and Extension Agreement dated April 30, 2013 (collectively the “Mortgage”), it is an Event of Default if a default occurs by the Plaza in observance of any of the terms or conditions of the Commitment Letter.

Furthermore, pursuant to Section 7.2 of the Mortgage, Plaza covenanted and agreed to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of the Lease in the exercise of the Plaza's remedies thereunder following default on the part of Nova in the performance of its prescribed obligations) which may cause a material modification or the termination of the Lease, or which may diminish or impair the value of the Lease, or the rents provided for therein.

Based on the foregoing, we, on behalf of Otéra, hereby provide notice that the surrender of the Lease from Nova to Plaza constitutes a Default and/or Event of Default under the Commitment Letter and Mortgage. Our understanding from your discussions with Otéra is that this Default and/or Event of Default occurred prior to February 1, 2023.

Pursuant to Section 2 of the General Assignment of Rents and Leases between Otéra and Plaza dated July 7, 2016, ("GARL") Plaza fully and absolutely assigned, transferred and set over to Otéra:

- a) the rents owing by Nova to Plaza with respect to its tenancy of the Premises, and all rights of Plaza to enforce payment of same; and
- b) the Lease and all benefits and advantages to be derived therefrom, and all the rights of Plaza to enforce the terms and conditions under the Lease.


Furthermore, pursuant to Section 7.1 of the Mortgage, Plaza fully and absolutely assigned, transferred and set over to Otéra all of the rents due or to accrue due and to be payable in respect of the Premises and any and every part thereof including but not restricted to the Lease, and all benefits and advantages to be derived therefrom and all the rights of Otéra to enforce payment thereof.

Pursuant to Section 3 of the GARL, upon a default occurring under the terms of the Mortgage, Plaza's right to collect rents owing by Nova under the Lease and the right to enforce the Lease would cease and terminate. Accordingly, any amounts owing by Nova to Plaza under the Lease, including all rents thereunder, are now due and directly payable to Otéra. You are required to provide payment immediately to Otéra of all amounts received from Nova in connection with the surrender of the Lease (and otherwise), as well all amounts received from all tenants under all other leases of the Property for amounts owing after January 31, 2023 (for certainty, including, without limitation, all February lease payments) to Otéra by wire in accordance with the wire instructions set out in Schedule A attached to this letter. Failure to do so is in a breach of the terms of the GARL.

None of this letter, any continued provision or new extension of credit accommodations to Plaza, any discussions between Otéra and Plaza (or their respective advisors) with respect to the Default or Event of Default prior to or after the date of this letter, any actual forbearance by Otéra from exercising its respective rights and remedies against Plaza, or any other action by Otéra shall constitute or be deemed to constitute: (i) a waiver of (A) the Default or Event of Default referenced above or any other existing or future Default, Event of Default or breaches under the Commitment Letter, Mortgage, GARL or any other loan document between Plaza and Otéra, or (B) any of Otéra's rights and remedies under the Commitment Letter, Mortgage, GARL or any other loan document between Plaza and Otéra or arising from any Default or Event of Default referenced above, or (ii) an express or implied agreement to forbear from exercising any of such rights and remedies, all of which rights and remedies are hereby expressly reserved.

Sincerely,

Gowling WLG (Canada) LLP



Elizabeth Burton

EB:kld



Schedule "A"
(See Attached)



Otéra

Caisse de dépôt et placement
du Québec

Centre de commerce mondial
413, rue St-Jacques
Bureau 700
Montréal (Québec) H2Y 1N9
Tél. 514 847-5900
Télééc. 514 847-2397
www.oteracapital.com

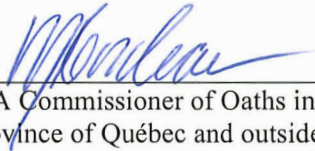
Banking Instructions/ Instructions bancaires

Otéra Capital Inc. In Trust

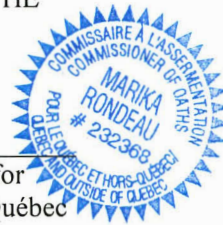
Wire in cad Dollar / Télévirement en dollar cad:

Beneficiary Bank Banque Bénéficiaire	Scotiabank Calgary Business Service Centre P.O. BOX 53069, Marlborough Cro, AB, T2A 7L9
SWIFT Code Address Adresse Code SWIFT	44 King Street West, Toronto, On, M5H 1H1
SWIFT	NOSCCATT
TRANSIT	12989
Institution code	002
Beneficiary Bénéficiaire	Otéra Capital Inc. In Trust 413, St-Jacques Street, office 700 Montreal, QC Canada H2Y 1N9
Account no Compte no	12989 0500712 CAD
Reference:	

THIS IS EXHIBIT "K" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



February 2, 2023

Via Facsimile

Elizabeth Burton
Direct +1 403 298 1954
elizabeth.burton@gowlingwlg.com
File no. A170537

255848 Alberta Ltd.
4300 Bankers Hall West, 888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Email: ABREMINDERS@STIKEMAN.COM

-and-

255848 Alberta Ltd.
130, 707 10th Ave SW
Calgary, Alberta T2R 0B3
Attention: Robert Proud
Fax (587) 317-2929
Email: rproud@copez.com

Dear Sirs:

Re: Priority and Standstill Agreement dated July 7, 2016 (the “Standstill Agreement”) made between 255848 Alberta Ltd. (the “Subordinate Lender”), Otéra Capital Inc. (“Otéra”) and Plaza 1000 Ltd. (the “Borrower”)

We are writing with respect to the above captioned matter as counsel to Otéra Capital Inc. (“Otéra”). On behalf of Otéra, we hereby notify you of the occurrence and continuance of an event of event of default under the Lender’s Security (as defined under the Standstill Agreement). A copy of the notice provided to the Borrower regarding same is attached for your reference. Pursuant to Section 10(b) of the Standstill Agreement you are no longer permitted to receive or accept payments, prepayments, setoff including any payment of interest. To the extent any such amounts are received or accepted by you, pursuant to Section 11 of the Standstill Agreement you are required to hold such amounts in trust and immediately turn over all such amounts to Otéra.

Sincerely,

Gowling WLG (Canada) LLP



Elizabeth Burton

EB:kld
Enclosure



February 2, 2023

Via Registered Mail and E-Mail

Elizabeth Burton
Direct +1 403 298 1954
elizabeth.burton@gowlingwlg.com
File no. A170537

Plaza 1000 Ltd.
4300 Bankers Hall West, 888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Email: ABREMINDERS@STIKEMAN.COM

-and-

Plaza 1000 Ltd.
c/o Copez Properties Ltd.
130, 707 10th Ave SW
Calgary, Alberta T2R 0B3
403-476-8924
Attn: Robert Proud
Email: rproud@copez.com

Dear Sirs:

Re: Surrender of Lease between Plaza 1000 Ltd. ("Plaza") and Nova Chemicals Corporation ("Nova") dated April 10, 2002, as amended, renewed, extended and otherwise modified from time to time (collectively the "Lease") with respect to Plaza 1000 located at 1000-7th Avenue SW, Calgary, Alberta (the "Premises")

We are writing with respect to the above captioned matter as counsel to Otéra Capital Inc. ("**Otéra**"), the mortgagee of property in which the Premises is located (the "**Property**"). We understand that Nova, as tenant of the Premises, has surrendered over the Lease to Plaza, as landlord of the Premises, without the expression written consent of Otéra as mortgagee of the Property.

Pursuant to Section 22.2 of the commitment letter dated March 15, 2022 (as amended and otherwise modified from time to time) (the "**Commitment Letter**"), Plaza shall not, without the prior written consent of Otéra, terminate or accept the surrender of any lease, and doing so shall constitute a default under the Commitment Letter.

Pursuant to Section 1.1(h) of the mortgage dated May 13, 2002, assumed by Plaza by way of a Mortgage Assumption and Extension Agreement dated April 30, 2013 (collectively the "**Mortgage**"), it is an Event of Default if a default occurs by the Plaza in observance of any of the terms or conditions of the Commitment Letter.

Furthermore, pursuant to Section 7.2 of the Mortgage, Plaza covenanted and agreed to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of the Lease in the exercise of the Plaza's remedies thereunder following default on the part of Nova in the performance of its prescribed obligations) which may cause a material modification or the termination of the Lease, or which may diminish or impair the value of the Lease, or the rents provided for therein.

Based on the foregoing, we, on behalf of Otéra, hereby provide notice that the surrender of the Lease from Nova to Plaza constitutes a Default and/or Event of Default under the Commitment Letter and Mortgage. Our understanding from your discussions with Otéra is that this Default and/or Event of Default occurred prior to February 1, 2023.

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- a) the rents owing by Nova to Plaza with respect to its tenancy of the Premises, and all rights of Plaza to enforce payment of same; and
- b) the Lease and all benefits and advantages to be derived therefrom, and all the rights of Plaza to enforce the terms and conditions under the Lease.


Furthermore, pursuant to Section 7.1 of the Mortgage, Plaza fully and absolutely assigned, transferred and set over to Otéra all of the rents due or to accrue due and to be payable in respect of the Premises and any and every part thereof including but not restricted to the Lease, and all benefits and advantages to be derived therefrom and all the rights of Otéra to enforce payment thereof.

Pursuant to Section 3 of the GARL, upon a default occurring under the terms of the Mortgage, Plaza's right to collect rents owing by Nova under the Lease and the right to enforce the Lease would cease and terminate. Accordingly, any amounts owing by Nova to Plaza under the Lease, including all rents thereunder, are now due and directly payable to Otéra. You are required to provide payment immediately to Otéra of all amounts received from Nova in connection with the surrender of the Lease (and otherwise), as well all amounts received from all tenants under all other leases of the Property for amounts owing after January 31, 2023 (for certainty, including, without limitation, all February lease payments) to Otéra by wire in accordance with the wire instructions set out in Schedule A attached to this letter. Failure to do so is in a breach of the terms of the GARL.

None of this letter, any continued provision or new extension of credit accommodations to Plaza, any discussions between Otéra and Plaza (or their respective advisors) with respect to the Default or Event of Default prior to or after the date of this letter, any actual forbearance by Otéra from exercising its respective rights and remedies against Plaza, or any other action by Otéra shall constitute or be deemed to constitute: (i) a waiver of (A) the Default or Event of Default referenced above or any other existing or future Default, Event of Default or breaches under the Commitment Letter, Mortgage, GARL or any other loan document between Plaza and Otéra, or (B) any of Otéra's rights and remedies under the Commitment Letter, Mortgage, GARL or any other loan document between Plaza and Otéra or arising from any Default or Event of Default referenced above, or (ii) an express or implied agreement to forbear from exercising any of such rights and remedies, all of which rights and remedies are hereby expressly reserved.

Sincerely,

Gowling WLG (Canada) LLP



Elizabeth Burton

EB:kld



Schedule "A"
(See Attached)



Otéra

Caisse de dépôt et placement
du Québec

Centre de commerce mondial
413, rue St-Jacques
Bureau 700
Montréal (Québec) H2Y 1N9
Tél. 514 847-5900
Télééc. 514 847-2397
www.oteracapital.com

Banking Instructions/ Instructions bancaires

Otéra Capital Inc. In Trust

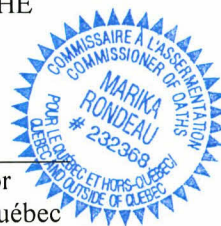
Wire in cad Dollar / Télévirement en dollar cad:

Beneficiary Bank Banque Bénéficiaire	Scotiabank Calgary Business Service Centre P.O. BOX 53069, Marlborough Cro, AB, T2A 7L9
SWIFT Code Address Adresse Code SWIFT	44 King Street West, Toronto, On, M5H 1H1
SWIFT	NOSCCATT
TRANSIT	12989
Institution code	002
Beneficiary Bénéficiaire	Otéra Capital Inc. In Trust 413, St-Jacques Street, office 700 Montreal, QC Canada H2Y 1N9
Account no Compte no	12989 0500712 CAD
Reference:	

THIS IS EXHIBIT "L TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



LEASE SURRENDER AGREEMENT

This Agreement made as of the 16th day of January, 2023,

BETWEEN:

PLAZA 1000 LTD.
(the "Landlord")

- and -

NOVA CHEMICALS CORPORATION
(the "Tenant")

WHEREAS:

- (A) By a lease dated April 10, 2002, as amended, renewed, extended or otherwise modified from time to time (collectively, the "Lease"), between the Landlord (as successor in interest to Copez Properties Ltd.), as landlord, and the Tenant, as tenant, the Landlord leased to the Tenant certain premises in the building known as Plaza 1000 located at 1000-7th Avenue SW, Calgary, Alberta for a term expiring June 30, 2023.
- (B) The Landlord has agreed to accept the early surrender of the Premises by the Tenant, and the Landlord and the Tenant have agreed to enter into this Lease Surrender Agreement to document the surrender by Tenant to Landlord of the Premises.

NOW THEREFORE in consideration of the foregoing and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions

- 1.1 Capitalized terms used in this Lease Surrender Agreement and not otherwise defined herein shall have the respective meaning given to such terms in the Lease.

2. Effective Date

- 2.1 The effective date of the surrender of the Premises shall be 11:59 pm on January 20, 2023 (the "Effective Date").

3. Surrender

- 3.1 The Tenant hereby agrees to surrender the Premises to the Landlord as of the Effective Date, to the intent that all estate and interest of the Tenant in the Premises under or by virtue of the Lease shall be merged and extinguished in the reversion of the Premises and that the Lease shall, subject to the terms and conditions hereof, terminate with effect only from and after the Effective Date.

3.2 The Landlord and Tenant acknowledge that pursuant to a Notice of Termination of Lease of Parking Stalls delivered in September 2022, the Tenant surrendered to the Landlord as of October 31, 2022, all parking stalls in the Office Building that the Tenant had the use of pursuant to the Lease and any separate parking licence agreement between the Landlord and the Tenant respecting such parking stalls. Notwithstanding the foregoing, the Landlord and Tenant acknowledge that the Tenant paid rent for such parking stalls until November 30, 2022.

4. Restoration of Leased Premises

4.1 The Lease contains various provisions governing the Tenant's obligations to repair, restore, remove, revert, clean or otherwise change the Premises at the end of the Term, including, without limitation, Section 14.2 (collectively, the "**Restoration Work**"). Notwithstanding the terms and conditions of the Lease, in consideration of the agreement of the Landlord to accept a surrender of the Premises, the surrender of the parking stalls in the Office Building, and an early termination of the Lease, as contemplated herein, the Landlord and the Tenant agree that:

- (a) the Tenant shall not be obligated to carry out any of the Restoration Work;
- (b) on or prior to the Effective Date, the Tenant shall pay to the Landlord the sum of **\$250,000.00, plus goods and services tax thereon**, by way of a bank draft, certified cheque, wire transfer or electronic funds deposit payable to the Landlord (the "**Restoration Work Payment**");
- (c) the Landlord agrees to accept the surrender of the Premises in an as-is condition, without the Restoration Work, and the Landlord agrees to assume full responsibility for carrying out all of the Restoration Work, if the Landlord elects to do so;
- (d) on the Tenant paying to the Landlord the Restoration Work Payment, the Tenant shall have no further liability to the Landlord, and the Landlord shall indemnify the Tenant for any of the costs or expenses associated with the Restoration Work under the Lease; and
- (e) the Tenant shall not be entitled to any compensation whatsoever for any fixtures, improvements, alterations, equipment or other additions that it leaves in the Premises.

5. Rent and Additional Rent

5.1 In further consideration of the agreement of the Landlord to accept a surrender of the Premises, the surrender of the parking stalls in the Office Building, and an early termination of the Lease as contemplated herein, and notwithstanding surrender of the Premises on the Effective Date, the Tenant also agrees to pay to the Landlord by way of a bank draft, certified cheque, wire transfer or electronic funds deposit payable to the Landlord, on or before the Effective Date, the sum of:

- (a) **\$1,648,310.00**, representing Basic Rent, Additional Rent, and the storage rent contemplated in Section 4.7 of the Lease, for the period of January 1, 2023 through June 30, 2023, **plus goods and services tax thereon**;
- (b) **\$171,780.00**, representing 50% of the parking rent contemplated in Section 4.5 of the Lease for the period of December 1, 2022, through June 30, 2023, **plus goods and services tax thereon**.

5.2 The Landlord and the Tenant acknowledge and agree that the parties have adjusted the Additional Rent for 2022 and there shall be no further readjustment. The Landlord and Tenant further agree there shall be no adjustment or readjustment of Additional Rent for the 2023 calendar year.

6. Release of Tenant

6.1 From and after the Effective Date, but subject to compliance by the Tenant with all of the terms and conditions of this Lease Surrender Agreement, the Landlord hereby releases and relieves the Tenant of all further covenants, obligations and liabilities under or pursuant to the Lease provided further that all of the covenants, obligations and liabilities of the Tenant under or pursuant to the Lease (including, without limitation all indemnities granted by the Tenant) shall, as to all matters arising or accruing prior to the Effective Date, be preserved and shall survive the surrender of the Premises and termination of the Lease contemplated herein.

7. Authority

7.1 Each of the parties hereto hereby represents and warrants to the other that it has the right, power and authority to enter into this Lease Surrender Agreement and to observe and perform all of its obligations hereunder in accordance with the terms hereof, and specifically the Tenant hereby represents and warrants to the Landlord that it has not taken any action whereby the Lease, the Premises or the unexpired portion of the term of the Lease is or may be charged, encumbered, sublet or assigned and the Landlord hereby agrees that no consent or other approval of the Landlord, its lender(s) or any other party is required in connection with this Lease Surrender Agreement.

8. Miscellaneous

8.1 This Lease Surrender Agreement shall enure to the benefit of and shall be binding upon the Landlord, the Tenant and their respective successors, assigns and permitted assigns, as the case may be, having regard to the provisions of the Lease.

8.2 The parties hereto shall execute such further documents and do or cause to be done such further acts or things as may be necessary to better implement and carry into effect the provisions and intent of this Lease Surrender Agreement.

8.3 This Lease Surrender Agreement shall be governed by and construed in accordance with the laws in force in the province of Alberta and the laws of Canada applicable therein and

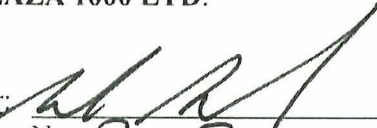
each party hereto irrevocably attorns to the jurisdiction of the courts of the province of Alberta.

- 8.4 This Lease Surrender Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first above written. A signed counterpart provided by way of facsimile transmission or by electronic transmission in .pdf format shall be as binding upon the parties hereto as an originally signed counterpart.

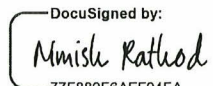
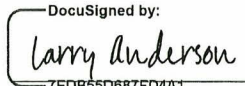
[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease Surrender Agreement as of the date set out above.

PLAZA 1000 LTD.

Per: 
Name: **Rob Proud**
Title: **EXEC VP**
Per: _____
Name: _____
Title: _____

NOVA CHEMICALS CORPORATION

Per: 
77F889F6AFF94EA...
Name: Nimish Rathod
Title: VP, Energy, Raw Materials & Business Serv
Per: 
7EDB55D687FD4A1...
Name: Larry Anderson
Title: AGC, Corporate & Commercial

THIS IS EXHIBIT "M" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec





February 21, 2023

VIA EMAIL AND REGISTERED MAIL

Plaza 1000 Ltd.
Suite 240, 999 8th Street SW
Calgary, Alberta
T2R 1J5

Sam Gabor
Direct +1 403 298 1946
Direct Fax +1 403 263 9193
Sam.Gabor@gowlingwg.com
File no. A170537

Attention: Robert J. Proud
Executive Vice President

Re: Obligations of 1000 Plaza Ltd. (the "Debtor") to Otéra Capital Inc. (the "Lender")

We are counsel to the Lender in connection with the credit facility currently outstanding between the Debtor and the Lender (the "**Facility**"). Reference is made to the facility documentation set out in Schedule "A" to this letter (hereafter, the "**Facility Documents**").

Advances have been made by the Lender under the Facility. As at February 17, 2023, the indebtedness owing by the Debtor under the Facility equals **\$12,138,743.02**, plus accruing interest, plus all fees and costs of the Lender, including legal costs on a solicitor and its own client full indemnity basis (collectively, the "**Indebtedness**"). The Indebtedness is broken down as follows:

Loan	Principal	Outstanding Interest	Total	Per Diem
Outstanding Loan	\$12,121,569.06	\$22,826.60 ¹	\$12,144,395.66	\$1,431.16

The Debtor is in default of the Facility Documents, for among other reasons:

- a) failing to obtain written consent from the Lender with respect to a Lease Surrendering Agreement dated January 16, 2023 ("**Lease Surrender Agreement**"), and received by the Lender on February 9, 2023, with respect to a lease between the Debtor and Nova Chemicals Corporation ("**Nova**") dated April 10, 2002 (the "**Lease**");

¹ Accrued interest excludes interest accrued on and after February 17, 2023.



- b) permitting an act causing the termination of the Lease, and causing the rents provided therein to be diminished, impaired and terminated;
- c) failing and refusing to provide the Lender all amounts the Debtor received from Nova in connection with the Lease Surrender Agreement, including those amounts as set out in our letter dated February 2, 2023;
- d) advising the Lender that it intends to hand over the commercial real property to the Lender the Lender has security against pursuant to a Mortgage dated July 7, 2016 granted by the Debtor.

The Indebtedness is payable on default and on demand. **Demand is hereby made on the Debtor for repayment of the full amount of the Indebtedness.** The Indebtedness will continue to accrue interest at the rates agreed and to accrue costs and fees, all of which the Debtor is responsible for, until payment of all amounts owing is received. Payment of the Indebtedness may be made by providing to the Lender by wire in accordance with the wire instructions set out in Schedule "B" attached to this letter.


Full payment of the Indebtedness must be made by close of business on March 3, 2023. The Debtor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

Enclosed with this letter is a Notice of Intention to Enforce Security, in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the 10-day notice period thereunder and consent to earlier enforcement of the Lender's security by the Lender, please endorse the notice where indicated and return it to the writer.

The Lender reserves its rights to proceed against the Debtor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Sincerely,

Gowling WLG (Canada) LLP

DocuSigned by:

6D7F375C8FC044B...

Sam Gabor

SG:nmg



SCHEDULE "A"
FACILITY DOCUMENTS

The Lender intends to rely upon all of its agreements and security provided by the Debtor and related parties including, but not limited to, the following:

- Offer of Interim and Permanent First Mortgage Financing dated March 15, 2002 between Copez Properties Ltd. ("**Copez**") and CDPQ Mortgage Corporation
- Mortgage dated May 13, 2002 granted by Copez
- General Assignment of Rents and Leases dated May 13, 2002 granted by Copez
- Security Agreement dated May 13, 2002 granted by Copez
- Mortgage Amending Agreement dated March 26, 2003 granted by Copez
- Offer to Extend Term of the Credit Facility dated March 27, 2013 between the Lender and the Debtor
- Mortgage Assumption and Extension Agreement dated April 30, 2013 entered into by the Debtor
- Mortgage dated July 7, 2016 granted by the Debtor
- General Assignment of Rents and Leases dated July 7, 2016 granted by the Debtor
- Security Agreement dated July 7, 2016 granted by the Debtor

all as have been or may be amended from time to time.

The Lender further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time.



Schedule "B"
(See Attached)



Centre de commerce mondial
413, rue St-Jacques
Bureau 700
Montréal (Québec) H2Y 1N9
Tél. 514 847-5900
Télééc. 514 847-2397
www.oteracapital.com

Banking Instructions/ Instructions bancaires

Otéra Capital Inc. In Trust

Wire in cad Dollar / Télévirement en dollar cad:

Beneficiary Bank Banque Bénéficiaire	Scotiabank Calgary Business Service Centre P.O. BOX 53069, Marlborough Cro, AB, T2A 7L9
SWIFT Code Address Adresse Code SWIFT	44 King Street West, Toronto, On, M5H 1H1
SWIFT	NOSCCATT
TRANSIT	12989
Institution code	002
Beneficiary Bénéficiaire	Otéra Capital Inc. In Trust 413, St-Jacques Street, office 700 Montreal, QC Canada H2Y 1N9
Account no Compte no	12989 0500712 CAD
Reference:	

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 1000 Plaza Ltd., an insolvent person

Take notice that:

1. Otéra Capital Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

- THE REAL PROPERTY LEGALLY DESCRIBED AS:

FIRST

PLAN A1

BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)

PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

SECOND

PLAN A1

BLOCK 36

LOTS 25 TO 32 INCLUSIVE

(THE "LANDS")

- ALL RENTS AND LEASES RELATING TO THE LANDS
 - ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
 - ALL PROCEEDS OF THE ABOVE COLLATERAL
2. The security that is to be enforced is the following:
 - Mortgage dated May 13, 2002 granted by Copez Properties Ltd. ("Copez")
 - Security Agreement dated May 13, 2002 granted by Copez
 - General Assignment of Rents and Leases dated May 13, 2002 granted by Copez
 - Mortgage Amending Agreement dated March 26, 2003 granted by Copez
 - Mortgage Assumption and Extension Agreement dated April 30, 2013 entered into by the insolvent person
 - Mortgage dated July 7, 2016 granted by the insolvent person
 - General Assignment of Rents and Leases dated July 7, 2016 granted by the insolvent person

- Security Agreement dated July 7, 2016 granted by the insolvent person
(collectively, the "**Security**").
- 3. The total amount of indebtedness secured by the Security is, as of February 17, 2023, \$12,144,395.66, plus all further accruing interest and all costs, including legal costs on a solicitor and its own client, full indemnity basis.
- 4. The Secured Party 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 consents to an earlier enforcement.

Dated at Calgary, Alberta, this 21st day of February, 2023

DocuSigned by:
Sam Gabor
6D7F375C8FC044B...

**Gowling WLG (Canada) LLP,
Solicitors for Otéra Capital Inc.
Per: Sam Gabor**

CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

DATED this _____ day of _____, 2023.

1000 PLAZA LTD.

Per: _____

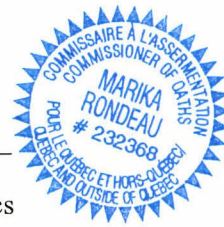
Name:

Position:

THIS IS EXHIBIT "N" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québecs





February 22, 2023

Via Registered Mail and E-Mail

Sam Gabor
Direct +1 403 298 1946
Direct Fax +1 403 263 9193
Sam.Gabor@gowlingwlg.com
File no. A170537

255848 Alberta Ltd.
4300 Bankers Hall West, 888 – 3rd Street S.W.
Calgary Alberta T2P 5C5
Email: ABREMINDERS@STIKEMAN.COM

255848 Alberta Ltd.
130, 707 10th Avenue, SW
Calgary, AB T2R 0B3
Attention: Robert Proud
Email: rproud@copez.com

Dear Sirs:

Re: Priority and Standstill Agreement dated July 7, 2016 (the "Standstill Agreement") made between 255848 Alberta Ltd. (the "Subordinate Lender"), Otera Capital Inc. ("Otera") and Plaza 1000 Ltd. (the "Borrower")

We are writing with respect to the above captioned matter as counsel to Otera Capital Inc. ("**Otera**"). On behalf of Otera, we hereby notify you of the occurrence and continuance of an event of event of default under the Lender's Security (as defined under the Standstill Agreement). Otera has made demand upon the Borrower and provided it with a Section 244 *Bankruptcy and Insolvency Act* notice. A copy of the Demand Letter and Section 244 Notice is attached for your reference.

Yours truly,

Gowling WLG (Canada) LLP

DocuSigned by:

A handwritten signature in cursive script that reads "Sam Gabor".

Sam Gabor

SG:kld
Enclosure

Gowling WLG (Canada) LLP
Suite 1600, 421 7th Avenue SW
Calgary AB T2P 4K9 Canada

T +1 403 298 1000
F +1 403 263 9193
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowlingwlg.com/legal.

5557489311



February 21, 2023

VIA EMAIL AND REGISTERED MAIL

Plaza 1000 Ltd.
Suite 240, 999 8th Street SW
Calgary, Alberta
T2R 1J5

Sam Gabor
Direct +1 403 298 1946
Direct Fax +1 403 263 9193
Sam.Gabor@gowlingwlg.com
File no. A170537

Attention: Robert J. Proud
Executive Vice President

Re: Obligations of 1000 Plaza Ltd. (the "Debtor") to Otéra Capital Inc. (the "Lender")

We are counsel to the Lender in connection with the credit facility currently outstanding between the Debtor and the Lender (the "**Facility**"). Reference is made to the facility documentation set out in Schedule "A" to this letter (hereafter, the "**Facility Documents**").

Advances have been made by the Lender under the Facility. As at February 17, 2023, the indebtedness owing by the Debtor under the Facility equals **\$12,138,743.02**, plus accruing interest, plus all fees and costs of the Lender, including legal costs on a solicitor and its own client full indemnity basis (collectively, the "**Indebtedness**"). The Indebtedness is broken down as follows:

Loan	Principal	Outstanding Interest	Total	Per Diem
Outstanding Loan	\$12,121,569.06	\$22,826.60 ¹	\$12,144,395.66	\$1,431.16

The Debtor is in default of the Facility Documents, for among other reasons:

- a) failing to obtain written consent from the Lender with respect to a Lease Surrendering Agreement dated January 16, 2023 ("**Lease Surrender Agreement**"), and received by the Lender on February 9, 2023, with respect to a lease between the Debtor and Nova Chemicals Corporation ("**Nova**") dated April 10, 2002 (the "**Lease**");

¹ Accrued interest excludes interest accrued on and after February 17, 2023.



- b) permitting an act causing the termination of the Lease, and causing the rents provided therein to be diminished, impaired and terminated;
- c) failing and refusing to provide the Lender all amounts the Debtor received from Nova in connection with the Lease Surrender Agreement, including those amounts as set out in our letter dated February 2, 2023;
- d) advising the Lender that it intends to hand over the commercial real property to the Lender the Lender has security against pursuant to a Mortgage dated July 7, 2016 granted by the Debtor.

The Indebtedness is payable on default and on demand. **Demand is hereby made on the Debtor for repayment of the full amount of the Indebtedness.** The Indebtedness will continue to accrue interest at the rates agreed and to accrue costs and fees, all of which the Debtor is responsible for, until payment of all amounts owing is received. Payment of the Indebtedness may be made by providing to the Lender by wire in accordance with the wire instructions set out in Schedule "B" attached to this letter.


Full payment of the Indebtedness must be made by close of business on March 3, 2023. The Debtor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

Enclosed with this letter is a Notice of Intention to Enforce Security, in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the 10-day notice period thereunder and consent to earlier enforcement of the Lender's security by the Lender, please endorse the notice where indicated and return it to the writer.

The Lender reserves its rights to proceed against the Debtor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Sincerely,

Gowling WLG (Canada) LLP

DocuSigned by:

6D7F375C8FC044B...

Sam Gabor

SG:nmg



SCHEDULE "A" FACILITY DOCUMENTS

The Lender intends to rely upon all of its agreements and security provided by the Debtor and related parties including, but not limited to, the following:

- Offer of Interim and Permanent First Mortgage Financing dated March 15, 2002 between Copez Properties Ltd. ("**Copez**") and CDPQ Mortgage Corporation
- Mortgage dated May 13, 2002 granted by Copez
- General Assignment of Rents and Leases dated May 13, 2002 granted by Copez
- Security Agreement dated May 13, 2002 granted by Copez
- Mortgage Amending Agreement dated March 26, 2003 granted by Copez
- Offer to Extend Term of the Credit Facility dated March 27, 2013 between the Lender and the Debtor
- Mortgage Assumption and Extension Agreement dated April 30, 2013 entered into by the Debtor
- Mortgage dated July 7, 2016 granted by the Debtor
- General Assignment of Rents and Leases dated July 7, 2016 granted by the Debtor
- Security Agreement dated July 7, 2016 granted by the Debtor

all as have been or may be amended from time to time.

The Lender further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time.



Schedule "B"
(See Attached)



Centre de commerce mondial
413, rue St-Jacques
Bureau 700
Montréal (Québec) H2Y 1N9
Tél. 514 847-5900
Télec. 514 847-2397
www.oteracapital.com

Banking Instructions/ Instructions bancaires

Otéra Capital Inc. In Trust

Wire in cad Dollar / Télévirement en dollar cad:

Beneficiary Bank Banque Bénéficiaire	Scotiabank Calgary Business Service Centre P.O. BOX 53069, Marlborough Cro, AB, T2A 7L9
SWIFT Code Address Adresse Code SWIFT	44 King Street West, Toronto, On, M5H 1H1
SWIFT	NOSCCATT
TRANSIT	12989
Institution code	002
Beneficiary Bénéficiaire	Otéra Capital Inc. In Trust 413, St-Jacques Street, office 700 Montreal, QC Canada H2Y 1N9
Account no Compte no	12989 0500712 CAD
Reference:	

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 1000 Plaza Ltd., an insolvent person

Take notice that:

1. Otéra Capital Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

- THE REAL PROPERTY LEGALLY DESCRIBED AS:

FIRST

PLAN A1

BLOCK 36

THAT PORTION OF LOT 21 WHICH LIES TO THE NORTH OF THE SOUTH 7 FEET AND TO THE WEST OF THE EAST 7 FEET OF THE SAID LOT 21, AND THOSE PORTIONS OF LOTS 22, 23 AND 24, WHICH LIE TO THE NORTH OF THE SOUTH 7 FEET OF THE SAID LOTS 22, 23 AND 24

EXCEPTING THEREOUT: (AS TO SURFACE)

PORTION FOR ROAD ON PLAN 8711639 OUT OF LOTS 21 AND 22

SECOND

PLAN A1

BLOCK 36

LOTS 25 TO 32 INCLUSIVE

(THE "LANDS")

- ALL RENTS AND LEASES RELATING TO THE LANDS
 - ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
 - ALL PROCEEDS OF THE ABOVE COLLATERAL
2. The security that is to be enforced is the following:
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- Security Agreement dated July 7, 2016 granted by the insolvent person
(collectively, the "Security").
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- 4. The Secured Party 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 consents to an earlier enforcement.

Dated at Calgary, Alberta, this 21st day of February, 2023

DocuSigned by:
Sam Gabor
6D7F375C8FC044B...

**Gowling WLG (Canada) LLP,
Solicitors for Otéra Capital Inc.
Per: Sam Gabor**

CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

DATED this _____ day of _____, 2023.

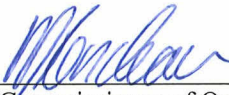
1000 PLAZA LTD.

Per: _____

Name:

Position:

THIS IS EXHIBIT "O" TO THE AFFIDAVIT OF
JOCELYN DUFORT SWORN ON THE
6th DAY OF MARCH, 2023



A Commissioner of Oaths in and for
the Province of Québec and outside of Québec



CONSENT AND WAIVER

WE THE UNDERSIGNED hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

DATED this 23 day of FEB, 2023.

1000 PLAZA LTD.

Per: 

Name:

Position:

Rob Proud

Exec. V.P.