COURT FILE NUMBER	1201-06934
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
COMPANIES	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9 AND IN THE MATTER OF 1252064 ALBERTA LTD. 1330075 ALBERTA LTD. AND HARVEST CAPITAL MANAGEMENT INC.
DOCUMENT	**FOURTH REPORT OF THE MONITOR** **OCTOBER 26, 2012**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Riglin Telephone: 403-206-5067 / 403-206-5139 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Riglin@ca.ey.com **COUNSEL** McCarthy Tétrault LLP Suite 3300, 421 7th Avenue SW Calgary AB T2P 4K9 Attn: Sean Collins / Walker MacLeod Telephone: 403-260-3531 / 403-260-3710 Email: scollins@mccarthy.ca wmacleod@mccarthy.ca

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INTRODUCTION

1. On June 7, 2012, 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of 125, 133 and HCMI (the "Monitor").

3. 125, 133 and HCMI are sometimes collectively referred to as the "Companies" or the "Debtors".

4. The purpose of this fourth report (the "Fourth Report") of the Monitor is to provide this Honourable Court with the Monitor's comments in respect of the following:

    a) The sale of the Lethbridge Lands; and

    b) The Monitor's recommendations.

5. Capitalized terms not defined in this Fourth Report are as defined in the Initial Order.

6. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

7. Background for the Companies and their operations is contained in the materials filed in support of the application for the Initial Order including the June 5, 2012 affidavit of Mr. Ron Aitkens (the "June 5 Aitkens Affidavit"). These documents, together with other information regarding these CCAA proceedings, have been posted by the Monitor on its website at: www.ey.com/ca/foundationgroup.

TERMS OF REFERENCE

8. In preparing this Fourth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Company. The Monitor has not performed an audit, review or other verification of such information.

LETHBRIDGE LANDS SALE

9. 125 holds owns two adjacent parcels of land in Lethbridge, AB. One parcel is a 6.1 acres site which has a building and tenant (the "Global Lands") and the other parcel is 32.82 acres which is vacant. Collectively the two parcels are referred to as the "Lethbridge Lands". The Global Lands were subdivided from the larger parcel in April 2012. A copy of the titles for the Lethbridge Lands are included in the Amended Prism PSA (defined below).

10. IMOR Capital Corp. ("IMOR") has a secured first mortgage on the Lethbridge Lands for approximately $5 million, comprised of a remaining principal balance of approximately $3.5 million and interest and costs of approximately $1.5 million. IMOR also has a secured general security agreement over 125, registered in the Alberta Personal Property Registry.

11. The Global Lands were listed for sale for $2.9 million ("List Price") in March 2012 with Bankers Commercial Real Estate based in Lethbridge. Since the listing commenced, Prism Real Estate Investments Corp. ("Prism") was the only potential purchaser that came forward with a viable offer for the Lethbridge Lands. The Global Lands listing expired on September 30, 2012.

12. The Monitor notes that on June 10, 2010 IMOR filed a Statement of Claim against 125 as a result of default under the IMOR mortgage. The Monitor understands that IMOR, with this step, was beginning to undertake a foreclosure of the Lethbridge Lands. As set out in the June 7, 2012 Initial Order at paragraph 16 a), IMOR was not stayed from proceeding to foreclose on the Lethbridge Lands.

13. On August 15, 2012, Ron Aitkens, on behalf of 125, entered into a contract to sell the Lethbridge Lands to Prism for $3.5 million (the "Initial Prism PSA"). The Initial Prism PSA had closing conditions that included Prism and IMOR having to agree on settlement and financing terms. The Monitor was made aware of the Initial Prism PSA on October 3, 2012.

14. During October 2012 the Monitor worked with Prism and IMOR's counsel towards entering into a definitive purchase and sale agreement.

15. On October 26, 2012, the Monitor entered into a purchase and sale agreement, subject to Court approval, with Prism (the "Amended Prism PSA"). A copy of Amended Prism PSA is attached as Appendix A.

16. The Amended Prism PSA includes the following amendments:

a) The removal of all references to the seller's brokerage;

b) The confirmation that the deposit is being held by the buyer's lawyer;

c) The change of the closing date to October 31, 2012; and

d) The additional provision where 125 and Prism each agree to pay for half of the outstanding property taxes.

17. The Amended Prism PSA stipulates a purchase price of $3.5 million. The proceeds of this sale would be paid to IMOR in exchange for a discharge of their mortgage and a Covenant Not to Sue ("Covenant"), discussed further below.

18. IMOR has agreed to discharge their mortgage and to not enforce the balance of the mortgage debt against 125. A copy of the executed the Covenant from IMOR dated October 26, 2012 is attached as Appendix B. Effectively, the Covenant is worth $1.5 million to 125 which makes the value of the Amended Prism PSA $5.0 million (the "PSA Value").

19. The Monitor's counsel is reviewing the IMOR security against the Lethbridge Lands and anticipates that it will opine that the security is valid and enforceable in accordance with its terms.

MONITOR'S ANALYSIS OF THE LETHBRIDGE LANDS SALE

20. Both IMOR and Prism obtained appraisals for the Lethbridge Lands dated October 5 and 6, 2012 respectively. These appraisals were provided to the Monitor and the Monitor notes that both appraisals based on a market value approach were either at or below the PSA Value.

21. The Monitor understands that no offers were received at or within an acceptable range of the List Price and these lands were listed for approximately six months.

22. As discussed above IMOR was not subject to the CCAA stay of proceedings with respect to the Lethbridge Lands and was able to proceed to foreclose on those lands.

23. Based on the above analysis, the Monitor believes the Amended Prism PSA provides the best available recovery for 125 and its stakeholders. The Monitor believes the PSA Value is fair and reasonable taking into account the market value as established by the sales process, the two appraisals, the fact that IMOR could proceed to foreclose and, in the Monitor's view, is likely greater than what would be recovered under liquidation.

24. The Monitor believes that the process that resulted in achieving the Amended Prism PSA meets the requirements under s. 36 of the CCAA.

25. As the IMOR security will be removed as part of the Amended Prism PSA, any additional recoveries into 125 from further asset sales will be made available to 125 to assist in the restructuring and realization of its remaining assets and interests.

RECOMMENDATION

26. The Monitor recommends that this Honourable Court approve the Amended Prism PSA.

Dated at Calgary, this 26th day of October, 2012.

ERNST & YOUNG INC.
in its capacity as
Monitor of 125, 133 and HCMI

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Cassie Riglin, CA
Manager

APPENDIX A

AMENDING AGREEMENT
(the "**Agreement**")

THIS AGREEMENT has been entered into as of October ____, 2012,

BY and AMONG:

ERNST & YOUNG Inc. (the "Monitor"), in its capacity as monitor of 1252064 Alberta Ltd. ("125"), and not in its personal capacity (the "Vendor")
- and -
PRISM REAL ESTATE INVESTMENT CORPORATION (the "Purchaser")

RECITALS:

A. 125 and the Purchaser have entered into a Commercial Real Estate Purchase Contract (the "**Contract**") dated August 15, 2012 for the purchase and sale of the lands municipally known as 1401 28 Street N, Lethbridge, Alberta as more particularly described in the Contract (the "**Property**").

B. Pursuant to a CCAA Initial Order pronounced June 7, 2012 by Madam Justice B.E.C. Romaine (the "**Initial Order**"), the Monitor has been appointed as monitor of 125 to monitor the property and 125's conduct of its business.

C. Pursuant to an Order pronounced August 24, 2012 by Madam Justice B.E.C. Romaine, the Monitor's powers under the Initial Order were expanded and the Monitor was authorized by the Court to manage, operate and carry on the business of 125, including, but not limited to, the power to enter into any agreements with respect to the property of 125.

D. The Vendor and the Purchaser wish to amend the Contract on the terms and conditions set out below.

NOW THEREFORE, the parties intending to be legally bound, agree as follows:

1. The Contract is amended as follows:

   (a) Subsection 3.1 is hereby amended by deleting "Masuch Albert LLP in trust" in the first line and replacing it with "Demiantschuk Lequier Burke & Hoffinger LLP";

   (b) Subsection 3.6(a) is hereby deleted in its entirety and replaced with "Intentionally Deleted.";

   (c) Subsection 3.6(c) is hereby amended by deleting "brokerage's" in the second line and replacing it with "Buyer's lawyer's";

   (d) Subsection 3.6(d) is hereby amended by deleting "brokerage's" in the first line and replacing it with "Buyer's lawyer's";

   (e) Subsection 3.7 is hereby deleted in its entirety and replaced with "Intentionally Deleted.";

   (f) Subsection 3.8 is hereby deleted in its entirety and replaced with "Intentionally Deleted.";

   (g) Subsection 3.9 is hereby deleted in its entirety and replaced with "Intentionally Deleted.";

   (h) Subsection 4.1 is hereby amended by deleting "13 day of December 2012" in the second line and replacing it with "31st day of October, 2012";

   (i) Subsection 4.2A is hereby added as follows:

   "4.2A. <u>**Tax Arrears**</u>

The Buyer and Seller acknowledge that there are property taxes currently outstanding with respect to the Property, which are estimated to be $66,940.66. Notwithstanding anything to the contrary in this Contract, the Buyer and Seller agree that they shall each pay for half of the then outstanding property taxes with respect to the Property as at the Completion Date. The Buyer shall deliver its share of the payment of outstanding taxes to the Seller or the Seller's lawyer on the Completion Date and the Seller or the Seller's lawyer shall pay the outstanding property taxes directly to the City of Lethbridge and provide the Buyer or the Buyer's lawyer with evidence of such payment."

(j) Section 11.1 is hereby deleted in its entirety and replaced with "Intentionally Deleted.".

2. This Agreement forms a part of and is subject to the terms and conditions set out in the Contract. Except as amended by this Agreement, the Contract remains unchanged and is hereby ratified and confirmed.

3. This Agreement may be executed in several parts of the same form and such parts when taken and read together shall be construed as if all the signing parties hereto had executed one copy of this Agreement. Delivery of this Agreement may be made by facsimile transmission or by email in PDF format and when so delivered shall be as effective as if delivered and received personally.

[Remainder of page intentionally left blank. Execution page follows.]

Executed and delivered as of the date first above written.

ERNST & YOUNG INC., in its capacity as monitor of **1252064 ALBERTA LTD.**, and not in its personal capacity

Per: ______________________________
Name: Neil Narfason
Title: S.V.P.

PRISM REAL ESTATE INVESTMENT CORPORATION

Per: ______________________________
Name:
Title:

Executed and delivered as of the date first above written.

ERNST & YOUNG INC., in its capacity as monitor of **1252064 ALBERTA LTD.**, and not in its personal capacity

Per: ______________________________
Name:
Title:

PRISM REAL ESTATE INVESTMENT CORPORATION

Per: ______________________________
Name:
Title:

COMMERCIAL REAL ESTATE PURCHASE CONTRACT

PART A – OFFER TO PURCHASE

This Contract is between

THE SELLER	and	**THE BUYER**
Name 1252064 Alberta Ltd		Name Prism Real Estate Investments Corp.
Name		Name and/or nominee

1. THE PROPERTY

1.1 The Property is the Land, Buildings, Accepted Tenancies, Attached Goods (unless excluded) and included Unattached Goods located at:

Municipal Address: 1401 28 Street N

Lethbridge, Alberta

Legal Description: Plan 7710509; 1210907 Block/Unit 6;6 Lot 26;22

Title(s) # 121077843; 121077843+1. A copy of the existing Title(s) attached hereto as Schedule "A".

If Condominium Property, legal description and details as described in Commercial Condominium Property Schedule (attached).

1.2 All Attached Goods (fixtures) except for:

1.3 No Unattached Goods (specific chattels) except for:

1.4 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances:

The Buyer agrees to accept the following tenancies (the "Accepted Tenancies"):

2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably and in good faith.

2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

$ 100,000.00 Initial Deposit

$ ______ Additional Deposit

$ ______

$ 3,400,000.00 New Financing

$ ______ Seller Financing (as per attached Financing Schedule)

$ ______ Other Value

$ ______

$ ______ Balance Owing

$ 3,500,000.00 **Purchase Price (plus GST, if applicable)**

2.3 **The Purchase Price does not include GST.** In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.

2.4 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

3.1 All Deposits shall be delivered in trust to Masuch Albert LLP in trust
Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. ______

3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 17.1) or the third Business Day following the receipt of the Initial Deposit, whichever is last.

3.3 Any Additional Deposits shall be delivered in trust as follows ______
______. Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received.

3.4 In the event that either Deposit(s) are undelivered or returned by the financial institution as funds not cleared or non-sufficient funds, then the Buyer must replace the Deposit(s) by money order, bank draft or lawyer's trust cheque within two (2) Business Days of being notified that the Deposits did not clear. If the Buyer fails to provide the Deposit(s), the Seller may, at its discretion, terminate the Contract by notice in writing to the Buyer within two (2) Business Days.

3.5 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer.

3.6 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

(a) applied against the Commission and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Listing Contract or other commission agreement signed by the Seller;

(b) returned forthwith to the Buyer if this offer is not accepted and the cheque has not been deposited;
(c) refunded forthwith to the Buyer if this offer is not accepted and the Buyer's cheque has cleared the brokerage's trust account;
(d) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per Section 8) or the Seller fails to perform on this Contract; and
(e) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

3.7 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

3.8 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
(a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposits;
(b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
(c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposits a reasonable fee and costs incurred for dealing with the Deposits;
(d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposits except as arising from the negligence of the brokerage or lawyer.

3.9 In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and the Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

4.1 Subject to compliance with the terms hereof, posssession of the Property shall be available and given to the Buyer on or before 12 noon on the 13 day of December 2012 (the "Completion Day"), subject to the rights of the Accepted Tenancies, if any.
When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.

4.2 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.

4.3 Closing documents shall:
(a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a commercial transaction of this nature;
(b) include estoppel certificates for each of the Accepted Tenancies (if applicable); and
(c) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.

4.4 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.

4.5 The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.

4.6 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid. Payment received after noon on any day will be payment as of the next Business Day.

4.7 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.

4.8 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

5. INSURANCE

5.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Seller represents and warrants to the Buyer that:

(a) the current use of the Land and Buildings complies with the existing municipal land use bylaw;

(b) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;

(c) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Possession Date, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);

(d) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;

(e) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;

(f) the Seller is not in breach of any contract with respect to the Property;

(g) the Seller is not in breach of any obligation to any third party with respect to the Property;

(h) within the meaning of the *Income Tax Act* (Canada), the Seller is not now nor will be on the Completion Day a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;

(i) $______________ is the current monthly condominium contribution payable (fee for administrative an other expenses); and

(j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.

6.2 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

6.3 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no **other warranties, representations or collateral agreements** made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.

6.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).

6.5 The Buyer shall have the right to register a **caveat** against the title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, it agrees to forthwith discharge that caveat.

7. ADDITIONAL TERMS

7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

7.2 Neither the Buyer or the Seller shall assign its interest in the Property without the written approval of the other, such approval not to be unreasonably withheld.

7.3 All changes of number and gender shall be made where required.

7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta for any dispute that may arise out of this transaction.

7.5 The following terms are a part of this Contract:

8. CONDITIONS

8.1 The Buyer's Conditions are:

(a) **Financing Condition**

It is a condition precedent of this offer that the Buyer, as per clause 2.2, is able to place a new mortgage(s) upon terms acceptable to the Buyer. The Buyer shall have the opportunity to obtain such financing until

Before **5 p.m.** on October 15, 2012 (the Condition Day).

(b) **Due Diligence Condition**

(i) Within three (3) Business Days of the Final Signing of this Contract, as per clause 17.1, the Seller will provide to the Buyer true copies of all agreements/documents/materials that reasonably relate to the property and to the Buyer's Conditions and which are in the possession of the Seller or under its control (the "Documents"). The Documents will include: any Permitted Encumbrances; Accepted Tenancies; financial records and statements respecting the Property and any operating agreements that the Buyer is to assume; all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, assessments, plans, drawing, specifications, relevant correspondence or work orders; environmental reports; and ______

(ii) The Buyer may also, at its expense, retain consultants to conduct searches and such inspections, reviews and tests and to produce such observations, reports or assessments regarding the Property as it deems necessary, and for these purposes the Buyer and its authorized representatives, acting reasonably, will have access to the Property after Final Signing and during normal business hours. The rights of the existing tenants must be respected and the Buyer will be responsible for all damages caused by its representatives. The Seller will provide the Buyer with such written authorizations and other assistance when reasonably required by the Buyer to facilitate its inspections, reviews or tests.

It is a condition precedent of this offer that the information be satisfactory to the Buyer.

Before **5 p.m.** on October 15, 2012 (the Condition Day).

The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

(c) **Condominium Documents Condition**

This Contract is subject to the Buyer's Condition regarding Condominium Documents as per attached Commercial Condominium Property Schedule. ☐ Yes ☐ No

Before **5** p.m. on ______________________, ________ (the Condition Day).

(d) **Additional Buyer's Conditions**

Before **5** p.m. on ______________________, ________ (the Condition Day).

8.2 The Seller's Conditions are:

Before **5** p.m. on ______________________, ________ (the Condition Day).

8.3 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

8.4 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day and the Deposit(s) plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and Seller respectively.

8.5 Subject to clause 8.3, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

9. ATTACHED SCHEDULES

9.1 The following Schedules form part of this Contract and are attached:

☑ Schedule A (copy of Title) A-1 ☑ Schedule B (other documents) ☐ Financing Schedule
☐ Commercial Condominium Property Schedule ☐ Addendum ☐ Seller Financing
☐ Assumption of Mortgage/Agreement for Sale ☐ Other Value ☐ Other Schedules ______________

10. REMEDIES/DISPUTES

10.1 If the Seller or the Buyer fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

11. SECURITY FOR BROKERAGE REMUNERATION

11.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

12. ADVICE

12.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

12.2 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

12.3 Unless there is a written agreement for alternate representation, the Seller's brokerage (including its broker, all associate brokers and associates) represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage (including its broker, all associate brokers and associates) represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.

12.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or its real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

13. DEFINITIONS

13.1 In this Contract:

(a) *Business Day* means a day when the Land Titles Office is open for business.

(b) *Commission* means the sum owing from the Seller for services rendered under the Listing Contract plus GST.

(c) *Listing Contract* means any written service or commission agreement obligating the Seller to pay remuneration.

(d) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.

(e) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

14. REPRESENTATIVES/NOTICE

14.1 As long as the Representative information in 14.2 is completed, the identified Representatives are authorized to send and receive any Notice on behalf of their respective clients.

14.2 For the purposes of giving and receiving any Notice, the communication must be in writing and

(a) delivered in person to the other party or its Representative, or

(b) delivered (or faxed) to an address (or fax number) specified below.

Note: The Representative information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.

Seller's Information:

Seller's Address ______________________________

______________________________ (postal code)

Phone ______________________ Fax ______________________

Seller's Representative:

____
Broker, associate broker or associate registered to the brokerage

Brokerage Name ______________________________

Address ______________________________

Representative's Phone ______________________ Representative's Fax ______________________

Buyer's Information:

Buyer's Address ______________________________

______________________________ (postal code)

Phone ______________________ Fax ______________________

Buyer's Representative:

____
Broker, associate broker or associate registered to the brokerage

Brokerage Name ______________________________

Address ______________________________

Representative's Phone ______________ Representative's Fax ______________

15. OFFER

15.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

15.2 This offer/counter offer shall be open for acceptance in writing until 5:00 p.m. on August 17 ______________, 2012.

SIGNED AND DATED at Calgary, Alberta at 2:00 p.m. on August 10, 2012.

Prism Real Estate Investments Corp.	and/or nominee
Name of Buyer (print)	
Per: ______________ Authorized Signing Officer(s)	Witness
Ali Ghani	Rob Sanderson
Print Name of Authorized Signing Officer(s)	Print Name of Witness
Per: ______________ Authorized Signing Officer(s)	Witness
______________ Print Name of Authorized Signing Officer(s)	Print Name of Witness

Buyer's GST # ______________

PART B – ACCEPTANCE

16. ACCEPTANCE

16.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at Calgary, Alberta at 3:30 p.m. on August 15, 2012.

1252064 Alberta Ltd	
Name of Seller (print)	
Per: ______________ Authorized Signing Officer(s)	Witness
Ron Aitken	Rob Sanderson
Print Name of Authorized Signing Officer(s)	Print Name of Witness
Per: ______________ Authorized Signing Officer(s)	Witness
______________ Print Name of Authorized Signing Officer(s)	Print Name of Witness

Seller's GST # ______________

17. FINAL SIGNING

17.1 Final Signing of this Contract occurred at 3:30p .m. on August 15, 20 11.
Initials of the person(s) who signed last

CONVEYANCING

Seller's Lawyer ____

Lawyer's Address ____ (postal code)

Lawyer's Phone ____ Fax ____

Buyer's Lawyer ____

Lawyer's Address ____ (postal code)

Lawyer's Phone ____ Fax ____

Schedule A

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0035 178 441	1210907;6;22	121 077 843

LEGAL DESCRIPTION
PLAN 1210907
BLOCK 6
LOT 22
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.47 HECTARES (6.1 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;21;9;9;SW

MUNICIPALITY: CITY OF LETHBRIDGE

REFERENCE NUMBER: 071 217 539

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
121 077 843	03/04/2012	SUBDIVISION PLAN		

OWNERS

1252064 ALBERTA LTD..
OF 4, 4002 9 AVE NORTH
LETHBRIDGE
ALBERTA T1H 6T8

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
861 168 203	10/10/1986	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF LETHBRIDGE. "W 15 FT"

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
071 236 044	15/05/2007	CAVEAT RE : LEASE INTEREST CAVEATOR - CANWEST MEDIAWORKS INC.. ATTN: RON BELL 222-23 ST NE CALGARY ALBERTA T2E7N2 AGENT - HERBERT R ZECHEL
101 078 082	17/03/2010	MORTGAGE MORTGAGEE - IMOR CAPITAL CORP.. 220,1040 WEST GEORGIA STREET VANCOUVER BRITISH COLUMBIA V6E4H1 ORIGINAL PRINCIPAL AMOUNT: $5,000,000
101 078 083	17/03/2010	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - IMOR CAPITAL CORP.. 1200,1015 4TH ST S.W. CALGARY ALBERTA T2T1J4 AGENT - NIKOLAUS DEMIANTSCHUK
101 272 038	13/09/2010	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 101078082
121 140 933	08/06/2012	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - NOEL WINTER C/O DUNPHY BEST BLOCKSOM LLP #2100, 777 8 AVE SW CALGARY ALBERTA T2R3E5 AGENT - JOHN F MINCHIN

(CONTINUED)

AL

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 22 DAY OF SEPTEMBER, 2012 AT 01:19 P.M.

ORDER NUMBER:22105482

CUSTOMER FILE NUMBER:

REGISTRAR OF LAND TITLES

END OF CERTIFICATE

Schedule A-1

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0035 178 433	7710509;6;2	121 077 843 +1

LEGAL DESCRIPTION

PLAN 7710509
BLOCK 6
LOT 2
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	ACRES	MORE OR LESS
SUBDIVISION	1210907	2.47	6.10	

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

ATS REFERENCE: 4;21;9;9;SW
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF LETHBRIDGE

REFERENCE NUMBER: 071 217 539

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
121 077 843	03/04/2012	SUBDIVISION PLAN		

OWNERS

1252064 ALBERTA LTD..
OF 4, 4002 9 AVE NORTH
LETHBRIDGE
ALBERTA T1H 6T8

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS

(CONTINUED)

De

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
861 168 203	10/10/1986	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF LETHBRIDGE. "W 15 FT"
071 236 044	15/05/2007	CAVEAT RE : LEASE INTEREST CAVEATOR - CANWEST MEDIAWORKS INC.. ATTN: RON BELL 222-23 ST NE CALGARY ALBERTA T2E7N2 AGENT - HERBERT R ZECHEL
101 078 082	17/03/2010	MORTGAGE MORTGAGEE - IMOR CAPITAL CORP.. 220,1040 WEST GEORGIA STREET VANCOUVER BRITISH COLUMBIA V6E4H1 ORIGINAL PRINCIPAL AMOUNT: $5,000,000
101 078 083	17/03/2010	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - IMOR CAPITAL CORP.. 1200,1015 4TH ST S.W. CALGARY ALBERTA T2T1J4 AGENT - NIKOLAUS DEMIANTSCHUK
101 272 038	13/09/2010	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 101078082
121 077 845	03/04/2012	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF LETHBRIDGE. AS TO PORTION OR PLAN:1210908 AS TO AREAS A AND B
121 087 550	16/04/2012	MORTGAGE MORTGAGEE - PRISM REAL ESTATE INVESTMENT CORPORATION. SUITE 228, 1935-32ND AVENUE NE CALGARY ALBERTA T2E7C8 ORIGINAL PRINCIPAL AMOUNT: $300,000 US FUNDS

(CONTINUED)

Dl

TOTAL INSTRUMENTS: 007

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 22 DAY OF SEPTEMBER, 2012 AT 01:19 P.M.

ORDER NUMBER:22105482

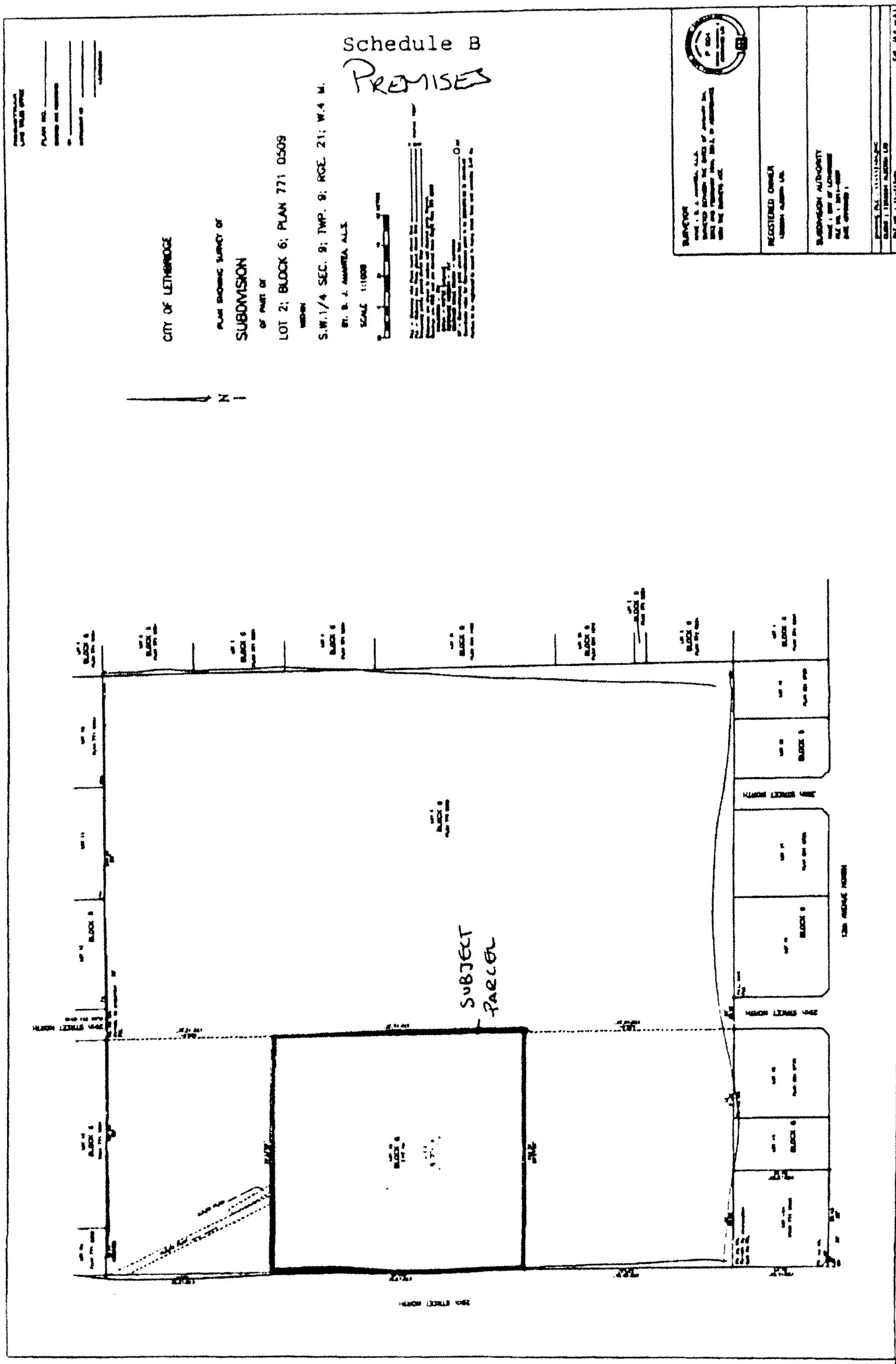
CUSTOMER FILE NUMBER:

REGISTRAR OF LAND TITLES

END OF CERTIFICATE

Schedule B

PREMISES



APPENDIX B

SETTLEMENT AGREEMENT AND COVENANT NOT TO SUE

This Settlement Agreement and Covenant Not to Sue (the "Agreement") is made by **IMOR CAPITAL CORP** ("IMOR") and **1252064 ALBERTA LTD.** ("125") (collectively the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS that, in consideration of:

(a) payment of the total all-inclusive sum of **$3,500,000.00** (the "Settlement Amount") to IMOR, the receipt and sufficiency of which is hereby acknowledged;

(b) an agreement to settle and discontinue on a without costs basis IMOR's action against 125 in Alberta Court of Queen's Bench Action No. 1001-08639 (the "Action") in which action IMOR seeks to enforce a mortgage (the "Mortgage") registered as instrument number 101 078 082 on March 17, 2010 against those certain lands standing in the name of 125 and legally described as:

PARCEL 1:

PLAN 7710509
BLOCK 6
LOT 2
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	ACRES MORE OR LESS
SUBDIVISION	1210907	2.47	6.10

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

PARCEL 2:

PLAN 1210907
BLOCK 6
LOT 22
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.47 HECTARES (6.1 ACRES) MORE OR LESS

(c) an agreement by IMOR not to seek to recover from 125 any deficiency owing under the Mortgage after payment of the Settlement Amount, whether pursuant to:

(i) a General Security Agreement granted by 125 to IMOR and registered in the Alberta Personal Property Registry as Registration Number 100305 25455;

(ii) a Promissory Note made between 125 and IMOR and dated February 27, 2010;

(iii) an Assignment of Rents and Leases granted by 125 to IMOR and registered on March 17, 2010 as Instrument Number 101 078 083;

(iv) any other instrument or legal process, including any claims process in Action No. 1201-06934 in the Court of Queen's Bench of Alberta

(all of the foregoing being hereinafter referred to collectively as "Collection Proceedings")

COVENANT NOT TO SUE

1. IMOR, together with its affiliates, subsidiaries, officers, directors, employees, heirs, executors, administrators, personal representatives, trustees, agents, insurers, successors and assigns, hereby covenants not to sue or take any other Collection Proceedings against 125, its affiliates, subsidiaries, officers, directors, employees, heirs, executors, administrators, personal representatives, trustees, agents, insurers, successors and assigns, and waives all rights to pursue any and all manner of actions, causes of action, suits, debts, sums of money, expenses, general damages, special damages, costs, interest, taxes, expenses, compensation, claims, counterclaims, appeals, cross-appeals, liability and demands of any and every kind or nature whatsoever, whether existing at law or in equity, or under any statute or agreement, which it ever had, now has or which it shall or may have against 125, based on facts now existing, arising out of or in any way related to the facts alleged in the pleadings filed in the Action.

DISCONTINUANCE OF ACTION

2. IMOR shall provide to 125 a registerable Discontinuance of Action (on a without costs basis) for the Action.

NO ASSIGNMENT

3. IMOR represents and warrants that it has not assigned to any person, firm or corporation any of the actions, causes of action, suits, debts, claims or demands arising out of or in any way related to the Mortgage.

NO INTERFERENCE

4. Nothing in this Settlement Agreement and Covenant Not To Sue shall prevent or in any way interfere with IMOR's ability to enforce payment of the amounts owing under the Mortgage from any person other than 125.

NO ADMISSION

5. This Agreement is made as a compromise to terminate controversy and not as an admission of liability. 125 expressly denies any such liability.

CHOICE OF LAW AND JURISDICTION

6. The terms of this Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein. The Parties hereby attorn to the jurisdiction of the Courts of Alberta.

UNDERSTANDING

7. IMOR acknowledges that it has had the opportunity to seek independent legal advice with respect to the matters addressed in this Agreement and the terms of settlement that have been agreed to by the Parties.

EXECUTION

8. This Agreement may be executed and delivered by facsimile or executed, scanned and sent by electronic mail to the other party or its solicitors, and any such execution and delivery shall be as binding and enforceable against the parties as the originals.

SEVERABILITY OF CLAUSES

9. In the event that any particular provision or provisions of this Agreement is deemed to be unenforceable or void by a court of competent jurisdiction, such provision or provisions shall be deemed to be severable and such determination shall solely affect the severed provision or provisions and shall not impair, or render void or unenforceable, the remaining provisions of this Agreement.

IN WITNESS WHEREOF IMOR has executed this Agreement by its authorized representative at the ______________ of ________________ on or about the _____day of ______________, 2011.

IMOR CAPITAL CORP.

Per: ____________________________

Name: __________________________

Title: ___________________________