Clerk's Stamp



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|---|---|
| COURT FILE NUMBER | 1703 12327 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | EDMONTON |
| | IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED |
| | AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF CANADA NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD. and 1371047 ALBERTA LTD. |
| DOCUMENT | SECOND AFFIDAVIT OF SHAYNE McCRACKEN |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Stephanie A. Wanke<br>Spencer Norris<br>DLA Piper (Canada) LLP<br>1201 Scotia Tower 2<br>10060 Jasper Avenue<br>Edmonton AB T5J 4E5<br>T 780.429.6822<br>F 780.702.4379<br>File No.: 37060-00001 |

**SECOND AFFIDAVIT OF SHAYNE McCRACKEN**

**Sworn on July 20, 2017**

I, Shayne McCracken, Businesswoman, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am a Director and the Secretary of each of the applicants, Canada North Group Inc., Canada North Camps Inc. ("**CNC**"), CampCorp Structures Inc., D.J. Catering Inc., 816956 Alberta Ltd., 1371047 Alberta Ltd. (collectively, the "**CCAA Parties**"), and 1919209 Alberta Ltd. ("**1919209**") and, as such, the matters deposed to herein are based on my personal knowledge or on my review of the books and records maintained by the CCAA Parties and 1919209 in the ordinary course of their business, entries in which books and records are made reasonably contemporaneously with the CCAA Parties and 1919209's business transactions as they occur, except where stated to be based upon other information and belief, and where so stated, I believe the same to be true.

2. I have previously sworn the following documents in these *Companies Creditors Arrangement Act*, RSC 1985, c. C-36 ("***CCAA***") proceedings:

    a. Affidavit sworn and filed on June 28, 2017 (the "**First Affidavit**");

    b. Confidential Supplemental Affidavit sworn on June 28, 2017 and sealed by Court Order on July 5, 2017 (the "**First Confidential Affidavit**"); and

c. Second Supplemental Affidavit sworn and filed on July 4, 2017 (the "**Supplemental Affidavit**").

3. I have also sworn a Confidential Supplement to this, my Second Affidavit.

4. On July 5, 2017, the Honourable Justice K.G. Nielsen granted an Initial Order under the *CCAA* which provided for a stay of proceedings up to and including August 3, 2017 (the "**Stay Period**"), or such later date as the Court might order (the "**Initial Order**").

5. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor of the CCAA Parties (the "**Monitor**").

6. Also pursuant to the Initial Order, R.e.I. Group Inc. was appointed as Chief Restructuring Officer of the CCAA Parties (the "**CRO**"). The CCAA Parties retained the CRO on July 6, 2017 when the engagement letter was finalized and executed.

## EXTENSION OF THE STAY PERIOD

7. The CCAA Parties seek an extension of the Stay Period up to and including November 3, 2017.

8. It has been two weeks since the Initial Order was granted.

9. In that time, the CCAA Parties have acted in good faith and with due diligence.

10. The CCAA Parties believe that circumstances exist that make the extension of the Stay Period appropriate.

## EFFORTS SINCE THE INITIAL ORDER

11. Since the Initial Order was granted, the CCAA Parties have worked closely with the CRO and cooperated fully with the Monitor.

12. The CCAA Parties have worked diligently to maintain and improve operations while proceeding with the steps necessary to develop a plan to present to their creditors. In particular, the CCAA Parties have:

a. addressed the day-to-day challenges, including creditor and supplier queries, arising from the filing of the Notices of Intention under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 and these CCAA proceedings;

b. worked with the CRO and the Monitor to review, update and extend the CCAA Parties' cash flow projections;

c. assisted the CRO and the Monitor to understand the structure, business and operations of the CCAA Parties and their related companies;

d. worked with the CRO and the Monitor to improve the financial reporting and accounting processes of the CCAA Parties;

e. worked with the CRO to develop a more detailed overview of the assets and liabilities (including secured and unsecured claims) of the CCAA Parties and related entities;

f. worked with the CRO to initiate a review of the operations of the CCAA Parties to understand what debt levels might be supported by operations post-restructuring;

g. through, or in conjunction with, the CRO and/or Monitor, had introductory meetings, emails and calls with various parties who have expressed an interest in participating in a restructuring through refinancing, purchasing assets or investing in the CCAA Parties;

h. continued to negotiate condition removal in respect of an offer received for the sale of the Yard property and an offer for sale for the Office, as discussed in my First Affidavit;

i. completed arrangements for the DIP facility with Business Development Bank Canada, the DIP Lender, as authorized by the Initial Order including an initial drawdown and commenced the necessary financial reporting.

13. The CCAA Parties intend to continue to work diligently with the CRO and to fully cooperate with the Monitor with the intent to propose a workable plan to their creditors.

14. Given the unsolicited interest expressed by parties to date, the CCAA Parties anticipate that a plan may include a sale and investment solicitation process to identify options for all the stakeholders.

## OPERATIONS SINCE THE INITIAL ORDER

15. The CCAA Parties have worked closely with the Monitor so that the Monitor could report to the Court in respect of its oversight of the financial operations of the CCAA Parties since the Initial Order.

16. Given that it has been only two weeks since the Initial Order was granted, and given the tremendous workload on the CCAA Parties arising from the Initial Order, providing all of the information required by the Monitor was a challenge and the CCAA Parties are appreciative of the effort the Monitor has exercised to review and process the information on tight timelines.

17. As a result, at the time of swearing this Affidavit, the Monitor's review of cash flow projections and actual performance to projected performance remains ongoing.

18. Generally, however, the financial operations since the Initial Order have been better than expected at the time of swearing my First Affidavit.

### Fire Camps

19. Prior to the Initial Order, as a result of a submission under a Request For Proposal ("**RFQ**"), CNC was, along with another supplier, awarded a contract with the Provincial Government of British Columbia to be the camp services suppliers to the B.C. fire camps.

20. On July 7, 2017, two days after the Initial Order was granted, British Columbia declared a State of Emergency as a result of the tragic wildfires raging in the interior.

21. Since July 7, 2017, the fire situation has worsened.

22. As a result, the B.C. fire camps began to experience very high demand shortly after July 7.

23. CNC receives approximately half of the work for the camp services needed and is presently providing services for approximately 1000 people in fire camps at Williams Lake, Little Fort/Clearwater and Princeton.

24. CNC provides food and services (laundry, housekeeping, etc). The existing camp infrastructure is also proving insufficient to meet demand and CNC has also had orders from the provincial government for the provision of equipment to augment the present camp infrastructure.

25. This work generates a positive contribution margin.

26. The financial impact overall of this fire camp work is therefore positive for CNC.

27. It does, however, create a cash flow issue as the work is invoiced to the B.C. government approximately a week after completion and, although receipt of payment typically takes approximately four weeks from invoicing, there have been discussions to accelerate this timing.

28. As a result, the CCAA Parties are anticipated to have a cash flow shortage in August that may not be met by the present DIP facility. CNC is in discussions with the DIP Lender in respect of a bulge on the initial facility to address this unexpected liquidity issue, which is mostly required to cover the increase in accounts receivable referenced above.

29. Further information will be provided for any subsequent court application to address the additional DIP requirements.

<u>Assets / Liabilities</u>

30. The CCAA Parties are working to provide updated lists of indebtedness of each of the CCAA Parties based on their corporate records and anticipate providing such lists prior to the first extension hearing in these proceedings.

<u>Transfer of Accounts</u>

31. On July 10, 2017, Canadian Western Bank ("**CWB**") advised that it was no longer prepared to have accounts for the CCAA Parties and related entities remain open and that they would be closed at end of business on July 11, 2017.

32. Attached as Exhibit "**A**" is correspondence between counsel to the CCAA Parties and CWB with respect to the closure of the accounts.

33. After the continuation of services provision in the Initial Order was pointed out to CWB, CWB agreed to keep accounts for the CCAA Parties open, but not for the related entities, including Bigstone Tansi.

34. Accordingly, since the Initial Order, the CCAA Parties have also spent significant time setting up new bank accounts for all of the entities and arranging for the transfer of funds. Details of these efforts have been shared with the Monitor.

**GOOD FAITH**

35. The CCAA Parties have, and continue to act in good faith.

36. In particular, the CCAA Parties have cooperated fully with the Monitor and been open and transparent with the CRO.

**REPLY TO CWB**

37. In its materials for the initial application and at the initial application for the Initial Order, CWB raised a concern with respect to two accounts receivable invoiced to Grand Rapids Pipeline GP Ltd. ("**Grand Rapids**") ("**Grand Rapids' Receivables**").

38. In my Second Supplemental Affidavit sworn on July 4, 2017, I referred to the custom negotiated deferred revenue term of the margining requirement that was part of the Credit Agreement with CWB.

39. I understand that CWB has further questions with respect to the Grand Rapids' Receivables and, as a result, I am providing the additional background and information set out below.

40. The Grand Rapids' Receivables are related to the Grand Rapids Pipeline Project, a joint project between TransCanada and Brion Energy Corporation.

41. Grand Rapids approached Canada North Camps Inc. to request that a contract camp be constructed on Wandering River, approximately 200 km south of Fort McMurray on Highway 63 with the expectation that camp services would be required from late 2014 until at least April 30, 2018.

42. Grand Rapids required that the camp supplier purchase the lands on which the camp would be located.

43. As a result, 1371047 Alberta Ltd. (one of the CCAA Parties) and Wandering River Properties Ltd. ("**WRPL**") (a corporation owned 2/3 by 1371047 Alberta Ltd. and 1/3 by an investor, Phil Harrison) purchased a parcel in the required location (the "**Wandering River Lands**").

44. Attached hereto as Exhibit "**B**" is a copy of the corporate search for WRPL.

45. The receivable for 1371047 Alberta Ltd. effectively flows through to Canada North Camps Inc., as Canada North Camps Inc. is the party who undertakes the work.

46. TransCanada has an Aboriginal Relations Policy that seeks to create employment and business opportunities for First Nations parties impacted by TransCanada's projects.

47. As set out in my First Affidavit, the CCAA Parties also seek opportunities to create employment and business opportunities for First Nations parties.

48. CNC joined with the local Heart Lake First Nation and formed Heart Lake CNC LP, a limited partnership with CNC and Heart Lake Construction LP as limited partners and Heart Lake Canada North Group GP Ltd. ("**Heart Lake GP**") (owned jointly by CNC and Heart Lake Construction LP) as general partner.

49. Attached hereto as Exhibit "**C**" are copies of the limited partner searches for Heart Lake Construction LP and Heart Lake CNC LP and the corporate search for Heart Lake GP.

50. Two contracts were formed with Grand Rapids to create the Wandering River Lodge:

    a. Services Agreement No. 4600005905 between Grande Rapids and Heart Lake GP re: Wandering River Camp and Catering Services, Grand Rapids Pipeline Project dated November 4, 2014 (the "**Services Agreement**"); and

    b. Lease Agreement between 1371047 Alberta Ltd. and WRPL and Grand Rapids re: the Wandering River Lands dated October 1, 2014 (the "**Lease Agreement**")

51. The Lease Agreement contains an obligation for Grand Rapids to restore the Wandering River Lands within 30 days of expiration of the tenancy.

52. The Services Agreement requires, in part, that Grand Rapids will incur all costs associated with the dismantle and demobilization of the camp and auxiliary equipment at the end of the term.

53. Grand Rapids did not require a full camp for as long as anticipated and terminated the Lease Agreement early. A six month termination notice effective October 30, 2015 was provided. As a result, the tenancy under the Lease Agreement terminated April 30, 2016.

54. Although the Lease Agreement was terminated, Grand Rapids still requested to use the camp on an ad hoc 'man day' basis as they still required some camp services. Heart Lake GP, 1371047 Alberta Ltd. and WRPL agreed and the obligation to restore the lands was deferred until the camp was ended.

55. The day after the Lease Agreement was terminated, on May 1, 2016, the Fort McMurray wildfire began and on May 2, Fort McMurray was evacuated. The fires continued until July 5, 2016.

56. The camp was well situated to hold fire evacuees and, with the consent and support of TransCanada, the camp housed hundreds of fire evacuees. Attached as Exhibit "**D**" is an article from the Edmonton Journal dated May 9, 2016 "*Work camp transformed into evacuation centre south of Fort McMurray*".

57. As the camp was winding up, the camp also housed some third party occupants on a manday basis. This was consistent with the Services Agreement that contemplated that Heart Lake GP was required to operate the camp as an open camp in between the pipeline construction seasons from May 2015 to October 2017.

58. As a result of the requirement by Grand Rapids for use of the camp beyond April 1 and the Fort McMurray fire, the camp was not immediately demobilized and the land not immediately restored.

59. In late 2016, we began discussing the obligations of Grand Rapids to restore and reclaim the Wandering River Lands and to demobilize the camp. We advised Grand Rapids at that time that the estimated cost of removal of the camp was $2,084,231 and the estimated cost of site reclamation was $5,356,231.

60. These numbers were based on detailed cost estimates for the necessary scope of work.

61. Under the Lease Agreement and the Services Agreement, it was the view of Heart Lake GP, WRPL, and 1371047 that the costs of the removal and reclamation were amounts presently due and owing by Grand Rapids.

62. It has been our practice that, for contract camps, the significant capital costs for setting up and removing camps are borne, in advance, by the clients. It is my understanding that other companies in the camp industry also employ this practice.

63. The deferred revenue margining term negotiated with CWB also reflects the industry norm that, for these significant capital costs, billing often is done in advance.

64. It is also common in the industry that accounts are not immediately paid, including for these larger amounts. Accordingly, the deferred revenue margining allows the company to access the necessary financing to commence the work while not yet paid.

65. Given that the obligations on Grand Rapids had crystalized as present obligations, due and owing, Heart Lake GP issued an invoice for the demobilization work and 1371047 Alberta Ltd. issued an invoice for the site restoration work (collectively, the "**Invoices**").

66. Our corporate counsel reviewed the invoices and issued a letter to Grand Rapids on May 31, 2017 which, stated in part, that the invoices were to be promptly paid.

67. These invoices were inputted into our accounting system and were part of our financial reporting to CWB. We had regular conversations with our account managers at CWB and they were aware of the origin and nature of all significant receivables, including the Grand Rapid Receivables.

68. The suggestion that CWB now makes is that the Invoices were provided in bad faith to artificially inflate the amount available on the operating line.

69. This suggestion is simply not true. The Invoices were issued in good faith based on our understanding of the Services Agreement and the Lease Agreement. The Invoices were reported to CWB as part of our normal course reporting and we were open and transparent with CWB as to the origin of the Grand Rapids Receivables.

70. It was and remains my belief that the Grand Rapids Receivables were appropriately margined as deferred revenue.

71. Grand Rapids has now raised some issues with respect to payment of the Invoices arising from the continuation of the camp beyond April 30, 2016 and invited discussion toward a mutually acceptable resolution. We have scheduled a meeting in Calgary with Grand Rapids to discuss payment of the Invoices in early August.

72. Given the commercially sensitive nature of the agreements with Grand Rapids, the following documents have been provided in my Confidential Supplement to this my Second Affidavit:

a. the Services Agreement;

b. the Lease Agreement;

c. the Termination Notice; and

d. the Invoices and the supporting cost estimates; and

e. the demand letter sent from Dentons LLP dated May 31, 2017.

73. The CCAA Parties and related entities have experienced significant growth over a relatively short period of time.

74. At the same time, the vertical integration and expansion of partnerships with investors and First Nations also added a level of complexity to business operations.

75. In reviewing our accounting and bookkeeping practices with the CRO and the Monitor, it has been brought to our attention that there are certain accounting practices that we can improve and streamline.

76. We are working with the CRO and the Monitor to improve the financial reporting of the CCAA Parties.

## EXPANSION OF THE STAY OF PROCEEDINGS

77. The Initial Order provided a Stay of Proceedings to certain companies affiliated with the Applicants in respect of the collateral enforcement of obligations of the CCAA Parties.

78. As some of the affiliated companies were not directly involved in the camp business, the stay for the affiliates did not include direct claims against the affiliates in their own right.

79. Following the granting of the Initial Order, there has been time to review certain of the direct claims against the affiliates. Some of these claims are as a result of the inter-connected operations of the camp business as a whole.

80. Accordingly, the CCAA Parties now seek to expand the stay of proceedings to specific affiliates where those affiliates are facing claims directly connected to the overall camp operations.

<u>Heart Lake GP, WRPL</u>

81. As set out above, these two entities are two of the beneficiaries of the Grand Rapids Receivables. The Wandering River Camp is not presently operating.

82. There are unpaid suppliers for Heart Lake GP and some hold-back revenue that is not presently releasable to Heart Lake GP as a result of the inability to provide a clear statutory declaration in respect of subtrades.

83. An action has been commenced by Klassen Blade Contracting Ltd. against Heart Lake GP and CNC (QB Action No. 1714 00015) for an alleged unpaid debt of $143,809.11.

84. Forthryte Services Inc. has also made a demand for payment.

85. Attached as Exhibit "**E**" is a list of the known creditors of Heart Lake GP.

86. WRPL's only known creditor is Athabasca County owed in the amount of $462,094.64.

<u>Canada North Group LP Holdings Ltd.</u>

87. Canada North Group LP Holdings Ltd. is a subsidiary of Canada North Group Inc. Attached as Exhibit "**F**" is a copy of the corporate search for Canada North Group LP Holdings Ltd.

88. Canada North Group LP Holdings Ltd. operates as the holding company for a variety of the Canada North Group limited partners. As a holding company, it does not carry on active business; however, it has been named as a defendant in an action by Cummins Western Canada Limited Partnership in an action that named a number of Canada North entities in respect of an alleged trade debt of $208,900.89.

<u>Stay of Proceedings</u>

89. The CCAA parties seek to provide a general stay of proceedings to Heart Lake GP, WRPL, Canada North Group LP Holdings Ltd. to preserve the status quo, prevent unnecessary expenditure of effort on litigation and maximize recovery for all parties.

90. Further, given the complexity of the competing security interests, a stay allows an orderly determination of priority and claims.

<u>Shayne McCracken and Max Fuel Distributors Ltd.</u>

91. An action has been commenced by Max Fuel Distributors Ltd. against Peace River Lodge GP Ltd. and me (QB Action No. 1603 19168) for an alleged trade debt of $88,018.14.

92. Any trade debt incurred by Peace River Lodge GP Ltd. to Max Fuel Distributors Ltd. is directly related to the operation of the camp business as a whole. Although I am named in that action, I do not believe there is any basis for the claim against me.

93. Given that the creditors of the CCAA Parties have been stayed from enforcing collateral security against me, I believe it is equitable to stay QB Action No. 1603 19168 against me in my personal capacity as well.

**1919209 ALBERTA LTD.**

94. 1919209 is a company incorporated pursuant to the law of Alberta. Attached hereto as Exhibit "**G**" is a corporate search of 1919209. Attached hereto as Exhibit "**H**" is an Alberta PPR search of 1919209.

95. I am the sole shareholder of 1919209. I control both 1919209 and 816956 Alberta Ltd., as well as 1371047 Alberta Ltd. indirectly.

96. 1919209 was incorporated specifically to lease certain equipment (the "**Equipment**") from Weslease Income Growth Fund LP ("**Weslease**"), including 3 Jack and Jill Dorms, 2 Power Distribution Centres and 1 Waste Water Treatment Plant.

97. The total claim by Weslease for the Equipment is approximately $6,000,000.

98. Copies of the lease agreements are attached hereto and marked as Exhibit "**I**" (the "**Leases**").

99. With Weslease's knowledge, 1919209 in turn leased the Equipment to CNC for its use in various camps. There are no written agreements between CNC and 1919209, however, CNC would pay 1919209 rent equal to the lease payments for 1919209 in turn to pay to Weslease.

100. 1919209 has no other revenue other than lease income from CNC and it is completely dependent on payments from CNC to fulfill its obligations under the Leases. As a result, 1919209 is now insolvent.

101. From a financial reporting perspective, 1919209 is included in the consolidated cash flow projections and financial statements for the CCAA Parties as the 1919209 is treated as a flow through entity.

102. The Equipment is essential to the uninterrupted operations of the CCAA Parties, CNC in particular.

103. 1919209 seeks to be added as an applicant under the *CCAA* so that it may, along with the balance of the CCAA Parties, present a viable Plan of Arrangement to the creditors.

**CONCLUSION**

104. I swear this Affidavit in support of the First Extension Application and related relief.

| | | |
|---|---|---|
| SWORN (OR AFFIRMED) BEFORE ME at Edmonton, Alberta, this 20th day of July, 2017.<br><br>(Commissioner for Oaths in and for the Province of Alberta)<br><br>**Spencer D. Norris**<br>Barrister and Solicitor | ) | SHAYNE McCRACKEN |

# EXHIBIT A

**Subject:** RE: CNC Group current account balances

**From:** Chuck Russell [mailto:crussell@mross.com]
**Sent:** July-11-17 11:05 AM
**To:** Wanke, Stephanie
**Cc:** 'matt.mcculloch@ca.ey.com'; 'Darren R. Bieganek (dbieganek@dcllp.com)'; 'Jonathan Solursh'
**Subject:** RE: CNC Group current account balances

Of the three core entities, the accounts were in overdraft so nothing will be released. There is no Group account at CWB. I believe those were the only four NOIs.

**From:** Wanke, Stephanie [mailto:stephanie.wanke@dlapiper.com]
**Sent:** Tuesday, July 11, 2017 10:22 AM
**To:** Chuck Russell <crussell@mross.com>
**Cc:** 'matt.mcculloch@ca.ey.com' <matt.mcculloch@ca.ey.com>; 'Darren R. Bieganek (dbieganek@dcllp.com)' <dbieganek@dcllp.com>; 'Jonathan Solursh' <jsolursh@relgrp.com>
**Subject:** RE: CNC Group current account balances

Hi Chuck,

To follow up on my voice mail just now, my understanding is that the Bigstone Nation is also entitled to some of the last AR from Bigstone Tansi. I expect that CWB doesn't want to unnecessarily inconvenience the Nation as well.

Can you please confirm that all receipts to the Canada North Group as of the date of the NOI will be released when the accounts are closed?

I've also spoken to the Court Reporter this morning and am assisting her with her spelling requests.

Thanks,


**Stephanie A. Wanke**
Associate

T 780.429.6822
F 780.702.4379
M 780.504.9364
E stephanie.wanke@dlapiper.com

DLA PIPER

DLA Piper (Canada) LLP
1201 Scotia Tower 2
10060 Jasper Avenue
Edmonton AB T5J 4E5
Canada
www.dlapiper.com


This is Exhibit " A " referred to in the Affidavit of
Shayna McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

**Spencer D. Norris**
**Barrister and Solicitor**

**From:** Wanke, Stephanie
**Sent:** July-11-17 7:37 AM
**To:** 'Chuck Russell'

**Cc:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com); 'Jonathan Solursh'
**Subject:** RE: CNC Group current account balances

Hi Chuck,

You are right that the continuation of services provision only specifically addresses the applicants, but the stay provision protects everyone on the Schedule. Here, in substance, CWB is exercising a contractual right against the LPs arising from the credit defaults of the Applicants - which is prohibited by paragraph 13 of the Order.

I have no doubt there are technical arguments you can make to the contrary, but think that the substance of CWB's action is clear.

The companies have offered to meet CWB more than half way - by voluntarily closing all accounts they practicably can at the earliest opportunity. I would think that CWB would be prepared to allow the Bigstone Tansi account to stay open for a short period to allow the final holdback/A/R to be received.

Please review with CWB in light of paragraph 13 and advise. Perhaps CWB would be prepared to do so until the extension application at which time the matter can be heard as part of the extension application - which would save all counsel from scrambling to have this heard on short notice.

The company is working on moving the balance of the money. Unless there are more hiccups, I expect it will be moved this week.

Please advise re: Bigstone Tansi.

Regards,

**Stephanie A. Wanke**
Associate

T 780.429.6822
F 780.702.4379
M 780.504.9364
E stephanie.wanke@dlapiper.com

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---

**From:** Chuck Russell [mailto:crussell@mross.com]
**Sent:** July-11-17 6:42 AM
**To:** Wanke, Stephanie
**Cc:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com); 'Jonathan Solursh'
**Subject:** RE: CNC Group current account balances

Sorry, I shouldn't have said 'attached', you just need to scroll down.

The only obligation to keep accounts open is in paragraph 17 of the order, and only applies to the Applicants, being CNC, DJ, Group, Campcorp, 816 and 137. There is no obligation to keep the LP accounts open, and CWB is not interested in doing so.

I will check with CWB to see why there was a problem at the St. albert branch, on withdrawing money, and get that fixed, but CWB intends to shut down the LP accounts as soon as that is straightened out. I will get back to you on that front.

As for the Applicants' accounts, you had previously advised you were moving them, and you already have the RBC account open. Can you advise of what amount of time you need to get those accounts that CWB has positive balances on, cleaned out, and I can get instructions on that.

I will be back to you on the St. albert issues.

chuck

**From:** Wanke, Stephanie [mailto:stephanie.wanke@dlapiper.com]
**Sent:** Monday, July 10, 2017 4:18 PM
**To:** Chuck Russell <crussell@mross.com>
**Cc:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; 'Jonathan Solursh' <jsolursh@relgrp.com>
**Subject:** RE: CNC Group current account balances
**Importance:** High

Hi Chuck,

The attachment was missing from your email.

To follow up to my voice mail to you, as you can appreciate, there is a Continuation of Services provision at paragraph 17 of the Initial Order that would prevent CWB from unilaterally terminating account services for the CNC Group.

That being said, given CWB's request that the group find alternate banking arrangements, the CNC Group is making efforts to open new accounts and close the CWB accounts.

There are some logistical issues - Shayne did attend at the St. Albert branch and had issues closing various accounts and was told that there were "notes on the accounts" that prevented it. There also may be transactions that are already in the works - cheques issued or direct deposits coming, etc.

Also, for the reasons in my earlier email, it is not practical to set up a new account for Bigstone Tansi given that there is just a small amount of future A/R to process in that account.

I propose the following:

1. CWB provide the CNC Group with the necessary time to close the accounts. I will check with the company and see what steps need to be taken and what the appropriate amount of timing is.
2. CWB allow the Bigstone Tansi account to continue in the ordinary course.

Please advise if the above is acceptable.

Regards,

Stephanie

**Stephanie A. Wanke**
Associate

**T** 780.429.6822
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E stephanie.wanke@dlapiper.com

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---

**From:** Chuck Russell [mailto:crussell@mross.com]
**Sent:** July-10-17 3:08 PM
**To:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com); Wanke, Stephanie
**Cc:** Jessie Taha (jessie.taha@cwbank.com); Andy McPherson; Chris Knash
**Subject:** FW: CNC Group current account balances
**Importance:** High

All: Attached is a summary of the various CNC related accounts as at today. CWB is not prepared to have the accounts remain open, and will be closing them at the close of business tomorrow. Please arrange for withdrawal of the funds you wish to access, prior thereto.

chuck

**Charles Russell, Q.C.** | Partner | direct 780.482.9115 | toll free 1.800.567.9200 | fax 780.733.9757
**McLennan Ross LLP** | www.mross.com | BIOGRAPHY
600 McLennan Ross Building, 12220 Stony Plain Road, Edmonton, AB T5N 3Y4



**From:** Chris Knash [mailto:Chris.Knash@cwbank.com]
**Sent:** Monday, July 10, 2017 2:50 PM
**To:** Chuck Russell <crussell@mross.com>; Jessie Taha <Jessie.Taha@cwbank.com>
**Cc:** Andy McPherson <Andy.McPherson@cwbank.com>
**Subject:** CNC Group current account balances

Chuck,

Please see the current account balances for the CNC group as at July 10, 2017:

10-Jul-17

| | |
|---|---|
| CNC Pooling Group | $ (11,919,420.10) |
| CNC LIMIT | $ 8,123,000.00 |
| NET POSITION | $ (3,796,420.10) |

| | | |
|---|---|---|
| Omni | $ | 45.70 |
| 816956 AB | $ | (80.07) |
| Golden West | $ | 23.60 |
| Bigstone | $ | 41,147.43 |
| Heart Lake | $ | 1,183.59 |
| Loon River | $ | 21.18 |
| 1371047 AB | $ | 575.25 |
| Kilometer 147 | $ | 10,534.31 |
| Peace River | $ | (38.91) |
| Bonnyville | $ | 77.81 |
| Kingdom | $ | 20.27 |
| Wandering | $ | 20.30 |
| | $ | 53,530.46 |

Regards,


CANADIAN WESTERN BANK

**Chris Knash** | Assistant Vice President
**Commercial Banking, Edmonton Main Branch**
**t.** 780-421-5575 | **f.** 780-424-0584 | **c.** 780-868-1687

Canadian Western Bank | Edmonton Main Branch
Suite 100, 12230 Jasper Ave., Edmonton, AB, T5N 3K3
t. 780-424-4846 | www.cwbank.com

**Subject:** RE: CNC Group current account balances

**From:** Chuck Russell [mailto:crussell@mross.com]
**Sent:** July-11-17 10:58 AM
**To:** Wanke, Stephanie; matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com)
**Cc:** Jessie Taha (jessie.taha@cwbank.com); Andy McPherson; Chris Knash
**Subject:** FW: CNC Group current account balances

Please see the explanation below on the St. albert branch disconnect.

CWB will keep the accounts of the Applicants open a per the initial order, but it is not prepared to keep the balance of the accounts open. The branch will issue bank drafts or cheques for the balances in those accounts to each of the account holders, tomorrow morning, you can have Mrs. McCracken come in to pick them up at the 122 street branch, or the branch can courier them out. please have her call Andy McPherson at 780 720 0569 with her preference.

On your voicemail with respect to the interest that the unit holders may have in the bigstone tansi funds, the bank has no intention of getting involved in the accounting between the unit holders in that LP, your clients will have to deal with that themselves.

chuck

**From:** Andy McPherson [mailto:Andy.McPherson@cwbank.com]
**Sent:** Tuesday, July 11, 2017 9:01 AM
**To:** Chuck Russell <crussell@mross.com>; Jessie Taha <Jessie.Taha@cwbank.com>; Chris Knash <Chris.Knash@cwbank.com>
**Cc:** George Bawden <George.Bawden@cwbank.com>; Cameron Kerr <Cameron.Kerr@cwbank.com>
**Subject:** RE: CNC Group current account balances

Hi Chuck. The issue Shayne from CNC is referring to was the day after the order that they went to take out the large amount we were holding in the Bigstone account. I called the branch to advise they were coming to take the money out and the freeze on the account was lifted. They accommodated that and then sent me a message afterward that Shayne had wanted to close some accounts. They were uncomfortable doing so given the CCAA situation and the fact they know they are not to do anything with the account without our permission. Thus, they advised her she should call me or attend our branch to do that. That was the right call on their part.

I'd suggest if they want to close some of the accounts, they provide us a list in advance of what they want to do so we can work with St. Albert or simply have the company come her to do those.

Let me know your thoughts.

Thanks, Andy

CWB
CANADIAN WESTERN BANK

**Andy McPherson | Senior AVP & Deputy Manager**
**Edmonton Main Branch**
**t. 780.429.6858 | f. 780.424.0584 | c. 780.720.0569**

Canadian Western Bank | Edmonton Main Branch
Suite 100, 12230 Jasper Avenue, Edmonton, AB T5N 3K3
t. 780.424.4846 | cwbank.com

CWB Financial Group | cwb.com



**From:** Chuck Russell
**Sent:** Tuesday, July 11, 2017 6:42 AM
**To:** 'Wanke, Stephanie' <stephanie.wanke@dlapiper.com>
**Cc:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; 'Jonathan Solursh' <jsolursh@relgrp.com>
**Subject:** RE: CNC Group current account balances

Sorry, I shouldn't have said 'attached', you just need to scroll down.

The only obligation to keep accounts open is in paragraph 17 of the order, and only applies to the Applicants, being CNC, DJ, Group, Campcorp, 816 and 137. There is no obligation to keep the LP accounts open, and CWB is not interested in doing so.

I will check with CWB to see why there was a problem at the St. albert branch, on withdrawing money, and get that fixed, but CWB intends to shut down the LP accounts as soon as that is straightened out. I will get back to you on that front.

As for the Applicants' accounts, you had previously advised you were moving them, and you already have the RBC account open. Can you advise of what amount of time you need to get those accounts that CWB has positive balances on, cleaned out, and I can get instructions on that.

I will be back to you on the St. albert issues.

chuck

**From:** Wanke, Stephanie [mailto:stephanie.wanke@dlapiper.com]
**Sent:** Monday, July 10, 2017 4:18 PM
**To:** Chuck Russell <crussell@mross.com>
**Cc:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; 'Jonathan Solursh' <jsolursh@relgrp.com>
**Subject:** RE: CNC Group current account balances
**Importance:** High

Hi Chuck,

The attachment was missing from your email.

To follow up to my voice mail to you, as you can appreciate, there is a Continuation of Services provision at paragraph 17 of the Initial Order that would prevent CWB from unilaterally terminating account services for the CNC Group.

That being said, given CWB's request that the group find alternate banking arrangements, the CNC Group is making efforts to open new accounts and close the CWB accounts.

There are some logistical issues - Shayne did attend at the St. Albert branch and had issues closing various accounts and was told that there were "notes on the accounts" that prevented it. There also may be transactions that are already in the works - cheques issued or direct deposits coming, etc.

Also, for the reasons in my earlier email, it is not practical to set up a new account for Bigstone Tansi given that there is just a small amount of future A/R to process in that account.

I propose the following:

1. CWB provide the CNC Group with the necessary time to close the accounts. I will check with the company and see what steps need to be taken and what the appropriate amount of timing is.
2. CWB allow the Bigstone Tansi account to continue in the ordinary course.

Please advise if the above is acceptable.

Regards,

Stephanie

**Stephanie A. Wanke**
Associate

**T** 780.429.6822
**F** 780.702.4379
**M** 780.504.9364
**E** stephanie.wanke@dlapiper.com

DLA PIPER

DLA Piper (Canada) LLP
1201 Scotia Tower 2
10060 Jasper Avenue
Edmonton AB T5J 4E5
Canada
www.dlapiper.com

---

**From:** Chuck Russell [mailto:crussell@mross.com]
**Sent:** July-10-17 3:08 PM
**To:** matt.mcculloch@ca.ey.com; Darren R. Bieganek (dbieganek@dcllp.com); Wanke, Stephanie
**Cc:** Jessie Taha (jessie.taha@cwbank.com); Andy McPherson; Chris Knash
**Subject:** FW: CNC Group current account balances
**Importance:** High

All: Attached is a summary of the various CNC related accounts as at today. CWB is not prepared to have the accounts remain open, and will be closing them at the close of business tomorrow. Please arrange for withdrawal of the funds you wish to access, prior thereto.

chuck

**Charles Russell, Q.C.** | Partner | direct 780.482.9115 | toll free 1.800.567.9200 | fax 780.733.9757
**McLennan Ross LLP** | www.mross.com | BIOGRAPHY
600 McLennan Ross Building, 12220 Stony Plain Road, Edmonton, AB T5N 3Y4



**From:** Chris Knash [mailto:Chris.Knash@cwbank.com]
**Sent:** Monday, July 10, 2017 2:50 PM
**To:** Chuck Russell <crussell@mross.com>; Jessie Taha <Jessie.Taha@cwbank.com>
**Cc:** Andy McPherson <Andy.McPherson@cwbank.com>
**Subject:** CNC Group current account balances

Chuck,

Please see the current account balances for the CNC group as at July 10, 2017:

| | | |
|---|---|---|
| | 10-Jul-17 | |
| CNC Pooling Group | $ | (11,919,420.10) |
| CNC LIMIT | $ | 8,123,000.00 |
| NET POSITION | $ | (3,796,420.10) |

| | | |
|---|---|---|
| Omni | $ | 45.70 |
| 816956 AB | $ | (80.07) |
| Golden West | $ | 23.60 |
| Bigstone | $ | 41,147.43 |
| Heart Lake | $ | 1,183.59 |
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| 1371047 AB | $ | 575.25 |
| Kilometer 147 | $ | 10,534.31 |
| Peace River | $ | (38.91) |
| Bonnyville | $ | 77.81 |
| Kingdom | $ | 20.27 |
| Wandering | $ | 20.30 |
| | $ | 53,530.46 |

Regards,

**Chris Knash** | Assistant Vice President
**Commercial Banking, Edmonton Main Branch**
**t.** 780-421-5575 | **f.** 780-424-0584 | **c.** 780-868-1687

Canadian Western Bank | Edmonton Main Branch
Suite 100, 12230 Jasper Ave., Edmonton, AB, T5N 3K3
t. 780-424-4846 | www.cwbank.com

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# EXHIBIT B

Government of Alberta ■

# Corporation/Non-Profit Search
## Corporate Registration System

| | |
|---|---|
| Date of Search: | 2017/07/18 |
| Time of Search: | 11:50 AM |
| Search provided by: | DLA PIPER (CANADA) LLP |
| Service Request Number: | 27368738 |
| Customer Reference Number: | 37060-00001 |

**Corporate Access Number:** 2018303756
**Legal Entity Name:** WANDERING RIVER PROPERTIES LTD.

**Legal Entity Status:** Active
**Alberta Corporation Type:** Named Alberta Corporation
**Registration Date:** 2014/06/20 YYYY/MM/DD

**Registered Office:**
**Street:** 2900, 10180 - 101 STREET
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Records Address:**
**Street:** 3039 BEIL AVENUE, NW
**City:** CALGARY
**Province:** ALBERTA
**Postal Code:** T2L 1K6

This is Exhibit " B " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

**Directors:**

**Last Name:** HARRISON
**First Name:** PHILIP
**Street/Box Number:** 3039 BEIL AVE NW
**City:** CALGARY
**Province:** ALBERTA

**Postal Code:** T2L 1K6

**Last Name:** MCCRACKEN
**First Name:** SHAYNE
**Street/Box Number:** 14238 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Last Name:** MCCRACKEN
**First Name:** PAUL
**Street/Box Number:** 14238 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Voting Shareholders:**

**Legal Entity Name:** 1371047 ALBERTA LTD.
**Corporate Access Number:** 2013710476
**Street:** 14238 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8
**Percent Of Voting Shares:** 66.6

**Last Name:** HARRISON
**First Name:** PHILIP
**Middle Name:** JOHN
**Street:** 3039 BEIL AVE NW
**City:** CALGARY
**Province:** ALBERTA
**Postal Code:** T2L 1K6
**Percent Of Voting Shares:** 33.3

## Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ELECTRONIC SCHEDULE
**Share Transfers Restrictions:** SEE ELECTRONIC SCHEDULE
**Min Number Of Directors:** 1
**Max Number Of Directors:** 9
**Business Restricted To:** NONE
**Business Restricted From:** NONE
**Other Provisions:** SEE ELECTRONIC SCHEDULE

**Holding Shares In:**

| Legal Entity Name |
|---|
| WANDERING RIVER LODGE GP LTD. |

## Other Information:

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|---|---|
| 2016 | 2016/09/06 |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing |
|---|---|
| 2014/06/20 | Incorporate Alberta Corporation |
| 2014/09/16 | Change Address |
| 2014/09/17 | Service Provider Correct Legal Entity |
| 2016/09/06 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2017/02/24 | Change Director / Shareholder |

**Attachments:**

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Share Structure | ELECTRONIC | 2014/06/20 |
| Restrictions on Share Transfers | ELECTRONIC | 2014/06/20 |
| Other Rules or Provisions | ELECTRONIC | 2014/06/20 |

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

# EXHIBIT C

**Government of Alberta ■**

# Trade Name / Partnership Search
## Corporate Registration System

Date of Search: 2017/07/18
Time of Search: 11:51 AM
Search provided by: DLA PIPER (CANADA) LLP

Service Request No: 27368753
Customer Reference No: 37060-00001

**Registration No:** LP16672958
**Current Business Name:** HEART LAKE CONSTRUCTION LIMITED PARTNERSHIP
**Status of Business Name:** Active
**Trade Name / Partnership Type:** Limited Partnership
**Date of Registration:** 2012/03/23 YYYY/MM/DD
**Home Jurisdiction:** ALBERTA

**Current General Partner:**

**Last/Legal Entity Name:** 1666340 ALBERTA LTD.
**Street:** C/O FIELD LLP, 2000, 10235 - 101 STREET
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3G1

This is Exhibit " C " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

**Other Information:**

**Filing History:**

| List Date | Type of Filing |
|---|---|
| 2012/03/23 | Register Limited Partnership |

**Attachments:**

| Attachment Type | Microfilm Barcode | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Certificate of Limited Partnership (AB) | 10000702000047451 | 2012/03/23 |

Alberta Registries certifies that the information contained in this search is the most recent information filed in the Register of Corporations.

**Government of Alberta ■**

# Trade Name / Partnership Search
## Corporate Registration System

Date of Search: 2017/07/18
Time of Search: 11:51 AM
Search provided by: DLA PIPER (CANADA) LLP

Service Request No: 27368750
Customer Reference No: 37060-00001

**Registration No:** LP17520305
**Current Business Name:** HEART LAKE CNC LIMITED PARTNERSHIP
**Status of Business Name:** Active
**Trade Name / Partnership Type:** Limited Partnership
**Date of Registration:** 2013/05/31 YYYY/MM/DD
**Home Jurisdiction:** ALBERTA

**Current General Partner:**

**Last/Legal Entity Name:** HEART LAKE CANADA NORTH GROUP GP LTD.
**Street:** 14238 - 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Other Information:**

**Filing History:**

| List Date | Type of Filing |
|---|---|
| 2013/05/31 | Register Limited Partnership |

**Attachments:**

| Attachment Type | Microfilm Barcode | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Certificate of Limited Partnership (AB) | 10000207107716023 | 2013/05/31 |

Alberta Registries certifies that the information contained in this search is the most recent information filed in the Register of Corporations.

**Government of Alberta** ■ **Corporation/Non-Profit Search**

**Corporate Registration System**

Date of Search: 2017/06/26
Time of Search: 08:35 AM
Search provided by: DLA PIPER (CANADA) LLP

Service Request Number: 27257009
Customer Reference Number: 19956-00001

**Corporate Access Number:** 2017492360
**Legal Entity Name:** HEART LAKE CANADA NORTH GROUP GP LTD.

**Legal Entity Status:** Active
**Alberta Corporation Type:** Named Alberta Corporation
**Registration Date:** 2013/05/16 YYYY/MM/DD

**Registered Office:**
**Street:** 2900-10180 101 ST
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Records Address:**
**Street:** 2900-10180 101 ST
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Directors:**

**Last Name:** LAMBERT
**First Name:** SHEILA
**Street/Box Number:** P.O. BOX 447
**City:** LAC LA BICHE
**Province:** ALBERTA

**Postal Code:** T0A 2C0

**Last Name:** MCCRACKEN
**First Name:** SHAYNE
**Street/Box Number:** 14238 - 134 AVENUE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Last Name:** MCCRACKEN
**First Name:** TRAVIS
**Street/Box Number:** 14238 - 134 AVENUE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Last Name:** MCCRACKEN
**First Name:** PAUL
**Street/Box Number:** 14238 - 134 AVENUE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Last Name:** MONIAS
**First Name:** CURTIS
**Street/Box Number:** P.O. BOX 447
**City:** LAC LA BICHE
**Province:** ALBERTA
**Postal Code:** T0A 2C0

**Last Name:** MONIAS
**First Name:** MORRIS
**Street/Box Number:** P.O. BOX 447
**City:** LAC LA BICHE
**Province:** ALBERTA
**Postal Code:** T0A 2C0

**Voting Shareholders:**

**Legal Entity Name:** CANADA NORTH CAMPS INC.
**Corporate Access Number:** 2018512398

| | |
|---|---|
| **Street:** | 14238 134 AVE |
| **City:** | EDMONTON |
| **Province:** | ALBERTA |
| **Postal Code:** | T5L 5V8 |
| **Percent Of Voting Shares:** | 51 |

| | |
|---|---|
| **Last Name:** | HEART LAKE CONSTRUCTION LIMITED PARTNERSHIP |
| **Street:** | 14238-134 AVENUE |
| **City:** | EDMONTON |
| **Province:** | ALBERTA |
| **Postal Code:** | T5L 5V8 |
| **Percent Of Voting Shares:** | 49 |

## Details From Current Articles:

**<u>The information in this legal entity table supersedes equivalent electronic attachments</u>**

| | |
|---|---|
| **Share Structure:** | SEE ELECTRONIC ATTACHMENT |
| **Share Transfers Restrictions:** | SEE ELECTRONIC ATTACHMENT |
| **Min Number Of Directors:** | 1 |
| **Max Number Of Directors:** | 9 |
| **Business Restricted To:** | NONE |
| **Business Restricted From:** | NONE |
| **Other Provisions:** | SEE ELECTRONIC ATTACHMENT |

**Associated Registrations under the Partnership Act:**

| Trade Partner Name | Registration Number |
|---|---|
| HEART LAKE CNC LIMITED PARTNERSHIP | LP17520305 |
| HEART LAKE CSL LIMITED PARTNERSHIP | LP17520289 |

## Other Information:

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|---|---|
| 2017 | 2017/05/05 |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing |
|---|---|
| 2013/05/16 | Incorporate Alberta Corporation |
| 2017/05/05 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

**Attachments:**

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Share Structure | ELECTRONIC | 2013/05/16 |
| Restrictions on Share Transfers | ELECTRONIC | 2013/05/16 |
| Other Rules or Provisions | ELECTRONIC | 2013/05/16 |

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

# EXHIBIT D

# Graham Thomson: Work camp transformed into evacuation centre south of Fort McMurray

*GRAHAM THOMSON, EDMONTON JOURNAL*

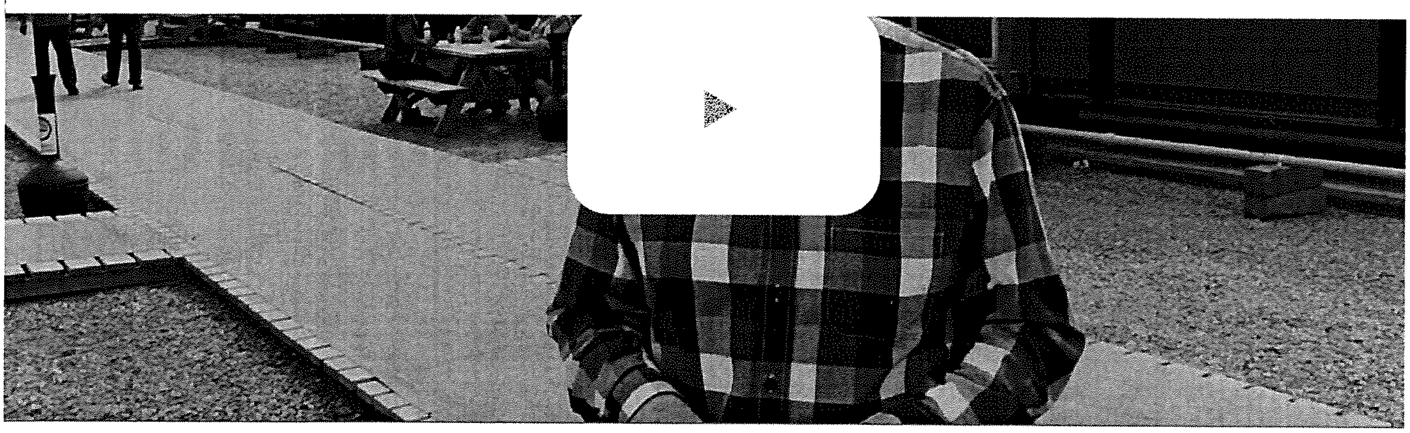
More from Graham Thomson, Edmonton Journal (HTTP://EDMONTONJOURNAL.COM/AUTHOR/GRAHAM-THOMSON-EDMONTON-JOURNAL)

Published on: May 9, 2016 | Last Updated: May 9, 2016 7:18 AM MDT

This is Exhibit " D " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17.

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

Wildfire Evacuee Lodge



0:07 / 1:57

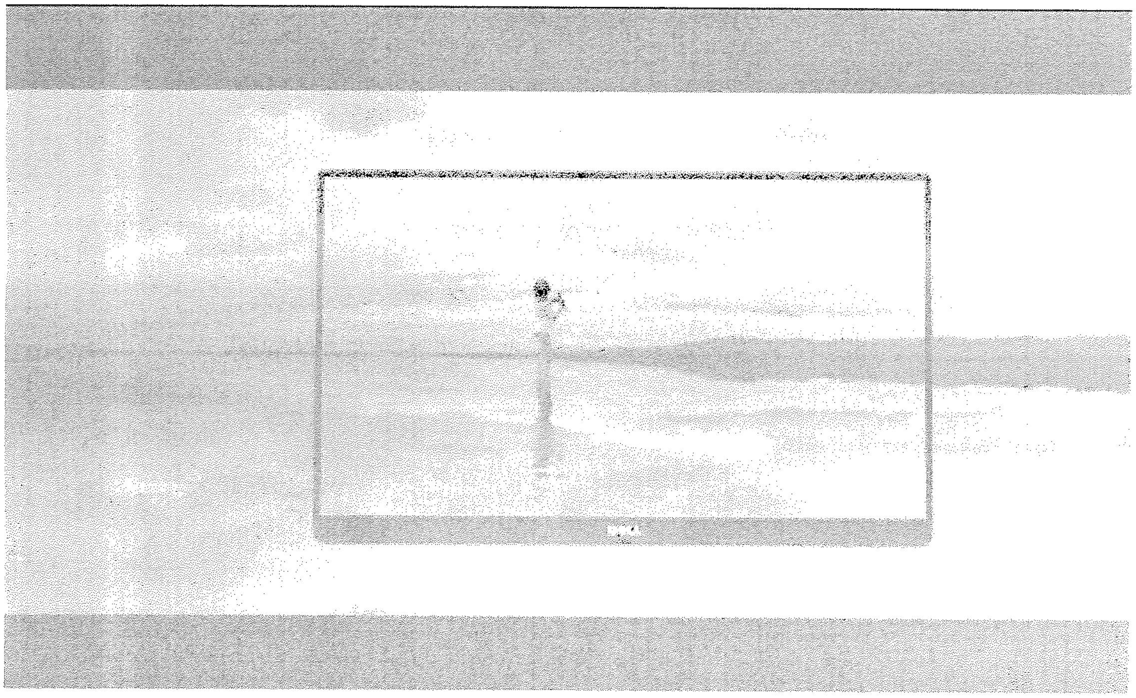
WANDERING RIVER (200 km south of Fort McMurray) — You could call it the Shangri-La of northern Alberta work camps.

Not that it's a paradise on earth – but, then again, for evacuees who had to sleep in their vehicles after fleeing the Fort McMurray wildfire, it feels like a slice of heaven.

And like the mythical land, you won't find this place on any maps and few people know it exists, including the Red Cross that has been keeping track of evacuations centres.

This is a work camp that was transformed into an evacuation centre on the spur of the moment by the ingenuity of the camp's supervisor, Glen Brooks, and the generosity of its owner, Canada North Camps.





When Brooks heard Tuesday afternoon that thousands of evacuees were heading his on highway 63, he wanted to help.

Heaven knows he had the space at the camp, officially known as the Wandering River Lodge.


Fort McMurray wildfire evacuee Gino Bernard and his dog are staying at the Canada North Camps Wandering River Lodge south of Fort McMurray. *LARRY WONG / POSTMEDIA NETWORK*

It was built two years ago to accommodate 800 workers but in these troubled economic times it's lucky to have 30.

Brooks had plenty of rooms but only four staff workers to cook and clean.

So, he quickly called in more help, ordered extra equipment and supplies and sent staff to Wandering River one kilometre away with flyers offering the evacuees accommodation and three hot meals a day.

For free.

And they came.

By Saturday he had almost 400. These are not people staying for a few hours or a few nights as stranded evacuees did in work camps north of Fort McMurray last week.

These people have been invited to stay indefinitely.

"There is no hurry, we are not pushing anyone out the door," says Brooks.

Due to the severity of the devastation to Fort McMurray, Brooks expects his evacuees will be staying for weeks, if not months.

And that presents another challenge: many of his refugees are children.

Fort McMurray evacuees (left to right) Emma VanDuinkerken, 11, Thomas Foss, 11, Gracie VanDuinkerken, 9, and Braiden Bourd, 7, play at the Canada North Camps-Wandering River Lodge south of Fort McMurray. *LARRY WONG / POSTMEDIA NETWORK*

Keep in mind this is a camp designed for single adults.

The rooms are barely large enough for a double or queen bed as well as a private toilet and shower.

To compensate, Brooks is giving parents with children multiple rooms.

And he's making plans to set up distractions for the children such as inflatable wading pools and will add more kid-friendly games to the camp's rec centre that already has billiard tables, table tennis and video games as well as weight rooms for the adults.

"We're going to start manoeuvring things around so the kids will have a play ground and safe areas like that," says Brooks.

"It's not designed for families but what we're going to do is we're going to start reshaping it a bit so it's suiting the longer term people who are saying here."

On the weekend, volunteers were smoothing off the camp's rough edges, literally, by removing nails and splinters from the boardwalks to avoid accidents to little feet.

"It is unreal," says Jayson VanDuinkerken who escaped Fort McMurray with his wife, two daughters and two dogs.

"It's as good as going to a hotel, if not better, because the people are great and anything you need is here."

He doesn't know if they'll stay indefinitely but they also don't want to leave anytime soon, preferring the camp's small but private rooms to the thought of sleeping on a cot in a gymnasium at one of the big evacuee centres further south.

"We wanted to stay a bit longer just so we could maintain some sort of normalcy," says his wife Gita Levine. "We have a routine, we eat our meals and the kids play. We don't want to move around a lot."

Some parents are looking at enrolling their children in local schools.

Gino Bernard says it's "like a holiday" and he marvels at the generosity of the camp's staff and local residents who have inundated evacuees with everything from razor blades to food for their pets.

He thinks Albertans have been so quick to respond to the Fort McMurray disaster because they've unfortunately had practice the past few years with the Calgary flood and the Slave Lake fire.

But he fears "the worst is to come" as the shock of the evacuation wears off and the trauma of losing a home sets in.

He worries people will grow frustrated living as evacuees for many months.

"We're going to have some situations," says Bernard, counting himself fortunate to only have to look after his dog, Pepsi. "It's not always going to be rosy."

Supervisor Brooks is determined, though, to make his camp as much of a sanctuary as he can for as long as he can.

And to ensure more evacuees know about his out-of-the-way haven, he has made sure the Red Cross knows where it is.

gthomson@postmedia.com (mailto:gthomson@postmedia.com)

Twitter: @Graham_Journal (https://twitter.com/Graham_Journal?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor)



# Comments

# EXHIBIT E

**Heart Lake Canada North Group GP Ltd**

**Vendor List as of 06/26/17**

| Name | Contact | Street 1 | Street 2 | City | Province | Postal Code | Phone No. 1 | Balance Owing |
|---|---|---|---|---|---|---|---|---|
| CampCorp Canada | | | | | | | | 2,515.36 |
| Canada North Camps Inc.COMPANY PARTNER | | 14238 - 134 Ave NW | | Edmonton | AB | T5L 5V8 | | 2,133,042.01 |
| CRA: GST | | | | | | | | 228,223.00 |
| Forthryte Services Inc. - (WR) | | Bay 1 - 242 MacAlpine Crescent | | Fort McMurray | AB | T9H 4A6 | | 148,285.61 |
| Garda Canada Security Corporation - (WR) | | 1390 Barre Street | | Montreal | Quebec | H3C 1N4 | | 108,503.06 |
| Heart Lake LLP - COMPANY PARTNER | | | | | | | | 579,902.44 |
| KR Enterprises | | | | | | | | 29,500.00 |
| M.I.A Security Group Ltd | | Box 2618 | | Lac La Biche | Alta | T0A 2C0 | | 37,044.00 |
| Pennock Acheson Nielsen Devaney | | 2201 Toronto Dominion Tower | 10088 - 102 Ave | Edmonton | AB | T5J 2Z1 | | 10,500.00 |
| Pinion Contracting | | Box 1981 | | Fairview | AB | T0H 1L0 | (780) 835-0972 | -3,624.30 |
| Poulin's Pest Control | | 24 Poulin Dr | | Winnipeg | MB | R2H 0S9 | 1-888-768-5467 | 1,995.00 |
| Terra Water Systems | | 800 525 8 Ave SW | | Calgary | Alberta | T2P 1G1 | (403) 203-2796 | 846.30 |
| United Rentals of Canada Inc - (WR) | | C/O V7406 | PO Box 7406 Station Terminal | Vancouver | BC | V6B 4E2 | | 175,112.02 |
| Wandering River Lodge LP | | | | | | | | 906,492.25 |
| Whitmoor Vacuum Services Ltd - (WR) | | | | | | | | 1,968.75 |
| Xplornet Communications Inc. | | PO Box 9060 | 300 Lockhart Mill Road | Woodstock | New Brunswick | E7M 6B5 | | 30,155.59 |

This is Exhibit " E " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Spencer D. Norris
Barrister and Solicitor

# EXHIBIT F

**Government of Alberta** ■

# Corporation/Non-Profit Search
## Corporate Registration System

| | |
|---|---|
| Date of Search: | 2017/07/20 |
| Time of Search: | 09:01 AM |
| Search provided by: | DLA PIPER (CANADA) LLP |

| | |
|---|---|
| Service Request Number: | 27379767 |
| Customer Reference Number: | 37060-00001 |

**Corporate Access Number:** 2017413226
**Legal Entity Name:** CANADA NORTH GROUP LP HOLDINGS LTD.

**Legal Entity Status:** Active
**Alberta Corporation Type:** Named Alberta Corporation
**Registration Date:** 2013/04/10 YYYY/MM/DD

**Registered Office:**
**Street:** 2900-10180 101 ST
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Records Address:**
**Street:** 2900-10180 101 ST
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Directors:**

**Last Name:** MCCRACKEN
**First Name:** SHAYNE
**Street/Box Number:** 14238 134 AVE
**City:** EDMONTON
**Province:** ALBERTA

This is Exhibit " F " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

**Postal Code:** T5L 5V8

**Last Name:** MCCRACKEN
**First Name:** PAUL
**Street/Box Number:** 14238 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Voting Shareholders:**

**Legal Entity Name:** CANADA NORTH GROUP INC.
**Corporate Access Number:** 206674020
**Street:** 14238 - 134 AVENUE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8
**Percent Of Voting Shares:** 100

## Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ELECTRONIC ATTACHMENT
**Share Transfers Restrictions:** SEE ELECTRONIC ATTACHMENT
**Min Number Of Directors:** 1
**Max Number Of Directors:** 9
**Business Restricted To:** NONE
**Business Restricted From:** NONE
**Other Provisions:** SEE ELECTRONIC ATTACHMENT

## Other Information:

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|---|---|
| 2017 | 2017/04/21 |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing |
|---|---|
| 2013/04/10 | Incorporate Alberta Corporation |
| 2017/04/21 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

**Attachments:**

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Restrictions on Share Transfers | ELECTRONIC | 2013/04/10 |
| Other Rules or Provisions | ELECTRONIC | 2013/04/10 |
| Share Structure | ELECTRONIC | 2013/04/10 |

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

# EXHIBIT G

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

Date of Search: 2017/07/18
Time of Search: 08:56 AM
Search provided by: DLA PIPER (CANADA) LLP

Service Request Number: 27366375
Customer Reference Number: 37060-00001

**Corporate Access Number:** 2019192091
**Legal Entity Name:** 1919209 ALBERTA LTD.

**Legal Entity Status:** Active
**Alberta Corporation Type:** Numbered Alberta Corporation
**Registration Date:** 2015/09/08 YYYY/MM/DD

**Registered Office:**
**Street:** 2900-10180 101 STREET
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Records Address:**
**Street:** 2900-10180 101 STREET
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5J 3V5

**Directors:**

**Last Name:** MCCRACKEN
**First Name:** PAUL
**Street/Box Number:** 14238 - 134 AVE
**City:** EDMONTON
**Province:** ALBERTA

This is Exhibit " G " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

**Postal Code:** T5L 5V8

**Last Name:** MCCRACKEN
**First Name:** SHAYNE
**Street/Box Number:** 14238 - 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8

**Voting Shareholders:**

**Last Name:** MCCRACKEN
**First Name:** SHAYNE
**Street:** 14238 - 134 AVE
**City:** EDMONTON
**Province:** ALBERTA
**Postal Code:** T5L 5V8
**Percent Of Voting Shares:** 100

## Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ELECTRONIC SCHEDULE
**Share Transfers Restrictions:** SEE ELECTRONIC SCHEDULE
**Min Number Of Directors:** 1
**Max Number Of Directors:** 9
**Business Restricted To:** NONE
**Business Restricted From:** NONE
**Other Provisions:** SEE ELECTRONIC SCHEDULE

## Other Information:

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|---|---|
| 2016 | 2016/10/25 |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing |
|---|---|
| 2015/09/08 | Incorporate Alberta Corporation |
| 2016/10/25 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

**Attachments:**

| Attachment Type | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|---|---|
| Share Structure | ELECTRONIC | 2015/09/08 |
| Restrictions on Share Transfers | ELECTRONIC | 2015/09/08 |
| Other Rules or Provisions | ELECTRONIC | 2015/09/08 |

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

# EXHIBIT H

**Government of Alberta ■**

# Personal Property Registry Search Results Report



**Search ID#:** Z09323626

**Transmitting Party**

DLA PIPER (CANADA) LLP

1201 SCOTIA 2 TWR, 10060 JASPER AVENUE
EDMONTON, AB T5J 4E5

Party Code: 50053008
Phone #: 780 426 5330
Reference #: 37060-00001

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

## Business Debtor Search For:

1919209 ALBERTA 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.

This is Exhibit " H " referred to in the Affidavit of
Shayne McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

Spencer D. Norris
Barrister and Solicitor

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

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Registration Number: 15110606185 Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Nov-06 Registration Status: Current

Expiry Date: 2020-Nov-06 23:59:59

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Exact Match on: Debtor No: 1

---

## Amendments to Registration

| | | |
|---|---|---|
| 17032936373 | Amendment | 2017-Mar-29 |
| 17052441698 | Amendment | 2017-May-24 |
| 17070510683 | Amendment | 2017-Jul-05 |
| 17070517219 | Amendment | 2017-Jul-05 |

---

## Debtor(s)

**Block** **Status**

1 1919209 ALBERTA LTD.
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

Current

**Block** **Status**

2 MCCRACKEN, PAUL
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

Deleted by
17052441698

**Block** **Status**

3 MCCRACKEN, PAUL, WILLIAM
14238 134 AVE NW
EDMONTON, AB T5L 5V8

Current by
17052441698

Birth Date:
1948-Apr-21

**Block** **Status**

4

# Personal Property Registry
# Search Results Report



**Search ID#:** Z09323626

CANADA NORTH CAMPS INC.
2900, 10180 - 101 STREET
EDMONTON, AB T5J 3V5

Current by
17070517219

## Secured Party / Parties

| Block | | Status |
|---|---|---|
| 1 | WESLEASE INCOME GROWTH FUND LP.<br>11464 149 ST NW<br>EDMONTON, AB T5M 1W7<br><br>Phone #: 780 429 1900 | Current |

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 201501WB001 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 2 | 201504WB002 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 3 | 201504WB003 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 4 | 201504WB004 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 5 | 201504WB005 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 6 | 201504WB006 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 7 | 201504WB007 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 8 | 201504WB008 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |
| 9 | 201504WB001 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510683 |

## Collateral: General

| Block | Description | Status |
|---|---|---|
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>1 - 42 ROOM JACK&JILL FRAMLESS DORM BERLAND; 8 DORMS S/N 201501WB001, 201504WB002, 201504WB003, 201504WB004, 201504SWB005, 201504WB006, 201504WB007,<br>S/N 201504WB008 | Deleted By 17032936373 |

| | | |
|---|---|---|
| 2 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>1 - 42 ROOM JACK&JILL FRAMELESS DORM BERLAND; 8 DORMS S/N 201504WB001, 201504WB002, 201504WB003, 201504WB004, 201504SWB005, 201504WB006, 201504WB007,<br>S/N 201504WB008 | Current By 17032936373 |
| 3 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510683 |

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

---

Registration Number: 15110607672
Registration Date: 2015-Nov-06
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2020-Nov-06 23:59:59

---

Exact Match on: Debtor No: 1

---

## Amendments to Registration

| | | |
|---|---|---|
| 17032936617 | Amendment | 2017-Mar-29 |
| 17052443078 | Amendment | 2017-May-24 |
| 17070510797 | Amendment | 2017-Jul-05 |
| 17070517167 | Amendment | 2017-Jul-05 |

---

## Debtor(s)

| Block | | | Status |
|---|---|---|---|
| 1 | 1919209 ALBERTA LTD.<br>2900 - 10180 101 STREET<br>EDMONTON, AB T5J 3V5 | | Current |

| Block | | | Status |
|---|---|---|---|
| 2 | MCCRACKEN, PAUL<br>2900 - 10180 101 STREET<br>EDMONTON, AB T5J 3V5 | | Deleted by 17052443078 |

| Block | | | Status |
|---|---|---|---|
| 3 | MCCRACKEN, PAUL, WILLIAM<br>14238 134 AVE NW<br>EDMONTON, AB T5L 5V8 | Birth Date: 1948-Apr-21 | Current by 17052443078 |

| Block | | | Status |
|---|---|---|---|
| 4 | | | |

| | |
|---|---|
| CANADA NORTH CAMPS INC.<br>2900, 10180 - 101 STREET<br>EDMONTON, AB T5J 3V5 | Current by<br>17070517167 |

## Secured Party / Parties

| Block | | Status |
|---|---|---|
| 1 | WESLEASE INCOME GROWTH FUND LP.<br>11464 149 ST NW<br>EDMONTON, AB T5M 1W7<br><br>Phone #: 780 429 1900 | Current |

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 201507WB001 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 2 | 201507WB002 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 3 | 201507WB003 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 4 | 201507WB004 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 5 | 201507WB005 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 6 | 201507WB006 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 7 | 201507WB007 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |
| 8 | 201507WB008 | 2015 | CampCorp Canada | TR - Trailer | Current By<br>17070510797 |

## Collateral: General

| Block | Description | Status |
|---|---|---|
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>1-42 ROOM JACK&JILL FRAMLESS DORM SIMONETT#1- 8 DORMS S/N 201501WB001, 201504WB002, 201504WB003, 201504WB004, 201504SWB005, 201504WB006, 201504WB007,<br>S/N 201504WB008 | Deleted By<br>17032936617 |

| | | |
|---|---|---|
| 2 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>1-42 ROOM JACK&JILL FRAMeLESS DORM SIMONETT#1- 8 DORMS S/N 201507WB001, 201507WB002, 201507WB003, 201507WB004, 201507SWB005, 201507WB006, 201507WB007,<br>S/N 201507WB008 | Deleted By 17052443078 |
| 3 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>42 Man Jack & Jill Frameless Dorm Simonette # 1 8 Dorms Manufactured in 2015, Serial # 201507WB001, 201507WB002, 201507WB003, 201507WB004, 201507SWB005, 201507WB006, 201507WB007, 201507WB008 | Current By 17052443078 |
| 4 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510797 |

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

---

Registration Number: 15110607881
Registration Date: 2015-Nov-06

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2020-Nov-06 23:59:59

---

Exact Match on: Debtor No: 2

---

## Amendments to Registration

| | | |
|---|---|---|
| 17032936933 | Amendment | 2017-Mar-29 |
| 17070510881 | Amendment | 2017-Jul-05 |
| 17070517045 | Amendment | 2017-Jul-05 |

---

## Debtor(s)

| Block | | Status |
|---|---|---|
| 1 | MCCRACKEN, PAUL<br>2900 - 10180 101 STREET<br>EDMONTON, AB T5J 3V5 | Current |
| 2 | 1919209 ALBERTA LTD.<br>2900 - 10180 101 STREET<br>EDMONTON, AB T5J 3V5 | Current |
| 3 | CANADA NORTH CAMPS INC.<br>2900, 10180 - 101 STREET<br>EDMONTON, AB T5J 3V5 | Current by<br>17070517045 |

## Secured Party / Parties

| Block | | Status |
|---|---|---|
| 1 | WESLEASE INCOME GROWTH FUND LP.<br>11464 149 ST NW<br>EDMONTON, AB T5M 1W7 | Current |

Phone #: 780 429 1900

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 201508WB001 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 2 | 201508WB002 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 3 | 201508WB003 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 4 | 201508WB004 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 5 | 201508WB005 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 6 | 201508WB006 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 7 | 201508WB007 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |
| 8 | 201508WB008 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510881 |

## Collateral: General

| Block | Description | Status |
|---|---|---|
| 1 | 1-42 ROOM JACK&JILL FRAMLESS DORM SIMONETT#1- 8 DORMS S/N 201501WB001, 201504WB002, 201504WB003, 201504WB004, 201504SWB005, 201504WB006, 201504WB007,<br>1-42 ROOM JACK&JILL FRAMLESS DORM SIMONETTE#2-8 DORMS S/N 201501WB001, 201504WB002, 201504WB003, 201504WB004, 201504SWB005, 201504WB006, 201504WB007,<br>S/N 201504WB008 | Deleted By 17032936933 |
| 2 | 1-42 ROOM JACK&JILL FRAMELESS DORM SIMONETT#2- 8 DORMS S/N 201508WB001, 201508WB002, 201508WB003, 201508WB004, 201508SWB005, 201508WB006, 201508WB007, 201508WB008 | Current By 17032936933 |
| 3 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510881 |

# Personal Property Registry
# Search Results Report



**Search ID#:** Z09323626

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

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Registration Number: 15120734687 Registration Type: SECURITY AGREEMENT
Registration Date: 2015-Dec-07 Registration Status: Current
Expiry Date: 2020-Dec-07 23:59:59

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Exact Match on: Debtor No: 1

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## Amendments to Registration

| | | |
|---|---|---|
| 17052432219 | Amendment | 2017-May-24 |
| 17070510623 | Amendment | 2017-Jul-05 |
| 17070516968 | Amendment | 2017-Jul-05 |

## Debtor(s)

| Block | | | Status |
|---|---|---|---|
| 1 | 1919209 ALBERTA LTD<br>2900 - 10180 101 STREET<br>EDMONTON, AB T5J 3V5 | | Current |
| 2 | MCCRACKEN, PAUL<br>2900 - 10180 101 ST<br>EDMONTON, AB T5J 3V5 | | Deleted by<br>17052432219 |
| 3 | MCCRACKEN, PAUL, WILLIAM<br>14238 134 AVE NW<br>EDMONTON, AB T5L 5V8 | Birth Date:<br>1948-Apr-21 | Current by<br>17052432219 |
| 4 | CANADA NORTH CAMPS INC.<br>2900, 10180 - 101 STREET<br>EDMONTON, AB T5J 3V5 | | Current by<br>17070516968 |

Government of Alberta ■

# Personal Property Registry Search Results Report



**Search ID#:** Z09323626

## Secured Party / Parties

| Block | | Status |
|---|---|---|
| 1 | WESLEASE INCOME GROWTH FUND LP.<br>11464 149 ST NW<br>EDMONTON, AB T5M 1W7<br><br>Phone #: 780 429 1900 | Current |

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | ED0012015 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510623 |
| 2 | ED0022015 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510623 |

## Collateral: General

| Block | Description | Status |
|---|---|---|
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>2 ELECTRICAL DISTRIBUTION BULDINGS ED0012015 AND ED0022015 | Current |
| 2 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510623 |

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

---

Registration Number: 17020122972
Registration Date: 2017-Feb-01

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2022-Feb-01 23:59:59

---

Exact Match on: Debtor No: 2

---

## Amendments to Registration

| | | |
|---|---|---|
| 17070510930 | Amendment | 2017-Jul-05 |

---

## Debtor(s)

**Block** **Status**

1 CANADA NORTH CAMPS INC — Current
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

**Block** **Status**

2 1919209 ALBERTA LTD — Current
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

**Block** **Status**

3 MCCRACKEN, PAUL — Current
14238 - 134 AVE
EDMONTON, AB T5L 5V8

Birth Date:
1948-Apr-21

## Secured Party / Parties

**Block** **Status**

1 WESLEASE INCOME GROWTH FUND LP. — Current
11464 149 ST NW
EDMONTON, AB T5M 1W7

Phone #: 780 429 1900

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 26026114 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 2 | 26026115 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 3 | 26026116 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 4 | 26026117 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 5 | 26026118 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 6 | 26026119 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 7 | 260816891 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 8 | 260816901 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 9 | 260828606 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 10 | 260829043 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 11 | 260829074 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |
| 12 | 264829046 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510930 |

## Collateral: General

| Block | Description | Status |
|---|---|---|
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), FOR LEASE 1510021,1510155 A,B&C, 1602191 A,B & C<br>TO INCLUDE DORMS 29 ROOMS SERIAL # 26026114,26026115, 26026116, 26026117,26026118,26026119<br>DORM 39 ROOM SERIAL # 260816891, 260816901, 260828606, 260829043, 260829074, 264829046 | Current |
| 2 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510930 |

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

---

Registration Number: 17021507535 Registration Type: SECURITY AGREEMENT
Registration Date: 2017-Feb-15 Registration Status: Current
Expiry Date: 2022-Feb-15 23:59:59

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Exact Match on: Debtor No: 3

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## Amendments to Registration

| | | |
|---|---|---|
| 17070510981 | Amendment | 2017-Jul-05 |

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## Debtor(s)

| Block | | Status |
|---|---|---|
| 1 | CANADA NORTH CAMPS INC<br>14238 - 134 AVE<br>EDMONTON, AB T5L 5V8 | Current |

| Block | | Status |
|---|---|---|
| 2 | CANADA NORTH GROUP INC<br>14238 - 134 AVE<br>EDMONTON, AB T5L 5V8 | Current |

| Block | | Status |
|---|---|---|
| 3 | 1919209 ALBERTA LTD<br>14238 - 134 AVE<br>EDMONTON, AB T5L 5V8 | Current |

| Block | | Status |
|---|---|---|
| 4 | MCCRACKEN, PAUL<br>14238 - 134 AVE<br>EDMONTON, AB T5L 5V8 | Current |

| Block | | Status |
|---|---|---|
| 5 | MCCRACKEN, SHANE<br>14238 - 134 AVE<br>EDMONTON, AB T5L 5V8 | Current |

## Secured Party / Parties

| Block | | Status |
|---|---|---|
| 1 | WESLEASE INCOME GROWTH FUND LP.<br>11464 149 ST NW<br>EDMONTON, AB T5M 1W7<br><br>Phone #: 780 429 1900 | Current |

## Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 26026114 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 2 | 26026115 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 3 | 26026116 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 4 | 26026117 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 5 | 26026118 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 6 | 26026119 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 7 | 260816891 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 8 | 260816901 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 9 | 260828606 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 10 | 260829043 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 11 | 260829074 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |
| 12 | 264829046 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070510981 |

## Collateral: General

| Block | Description | Status |
|---|---|---|

| | | |
|---|---|---|
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>LEASE 1510155A, B & C, ADDED COLLATERAL OF DORM 29 SERIAL # 26026114,26026115,26026116,26026117,26026118,26026119<br>DORM 39 ROOM SERIAL # 260816891, 260816901, 260828606, 260829043, 260829074, 264829046 | Current |
| 2 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070510981 |

**Business Debtor Search For:**

1919209 ALBERTA LTD.

**Search ID #:** Z09323626 **Date of Search:** 2017-Jul-18 **Time of Search:** 08:59:26

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Registration Number: 17032935712 Registration Type: SECURITY AGREEMENT
Registration Date: 2017-Mar-29 Registration Status: Current
Expiry Date: 2022-Mar-29 23:59:59

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Exact Match on: Debtor No: 1

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## Amendments to Registration

| | | |
|---|---|---|
| 17070511025 | Amendment | 2017-Jul-05 |
| 17070515278 | Amendment | 2017-Jul-05 |

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## Debtor(s)

**Block** **Status**

1 1919209 ALBERTA LTD. Current
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

**Block** **Status**

2 MCCRACKEN, PAUL Current
2900 - 10180 101 STREET
EDMONTON, AB T5J 3V5

Birth Date:
1948-Apr-21

**Block** **Status**

3 CANADA NORTH CAMPS INC. Current by 17070515278
2900, 10180 - 101 STREET
EDMONTON, AB T5J 3V5

## Secured Party / Parties

**Block** **Status**

1 Current

## Personal Property Registry
## Search Results Report



**Search ID#:** Z09323626

WESLEASE INCOME GROWTH FUND LP.
11464 149 ST NW
EDMONTON, AB T5M 1W7

Phone #: 780 429 1900

### Collateral: Serial Number Goods

| Block | Serial Number | Year | Make and Model | Category | Status |
|---|---|---|---|---|---|
| 1 | 201517WB022 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 2 | 201517WB024 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 3 | 201517WB011 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 4 | 201517WB012 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 5 | 201517WB013 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 6 | 201517WB019 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 7 | 201517WB026 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 8 | 201517WB020 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 9 | 201517WB021 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 10 | 201517WB025 | 2015 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 11 | F01 | 2008 | CampCorp | TR - Trailer | Current By 17070511025 |
| 12 | F02 | 2008 | CampCorp | TR - Trailer | Current By 17070511025 |
| 13 | F03 | 2008 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 14 | F04 | 2008 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 15 | F05 | 2008 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 16 | F06 | 2008 | CampCorp Canada | TR - Trailer | Current By 17070511025 |
| 17 | F07 | 2008 | CampCorp Canada | TR - Trailer | Current By 17070511025 |

### Collateral: General

| Block | Description | Status |
| --- | --- | --- |
| 1 | ALL PRESENT AND AFTER ACQUIRED EQUIPMENT, INVENTORY, INTANGIBLES, AND ANY PROCEEDS THEREFROM, PER GSA (GENERAL SECURITY AGREEMENT), INCLUDING<br>WASTE WATER TREATMENT PLANT FILTERBOXX 3,000 PERSON CAPACITY 'PORTABLE' ACTIVATED SLUDGE WASTE WATER TREATMENT PLANT - CONSTRUCTED 2008<br>SIN: F-01, F-02, F-03, F-04, F-05, F-06, F-07<br>SIMONETTE BOOTROOMS S/N: 201517WB022, 201517WB024<br>SIMONETTE REC ROOMS S/N: 201517WB011, 201517WB012, 201517WB013, 201517WB019, 201517WB026<br>SIMONETTE REC ROOMS - 3 UNIT- S/N 201517WB020, 201517WB021, 201517WB025 | Current |
| 2 | ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND PROCEEDS THEREFROM | Current By 17070511025 |

Result Complete

# EXHIBIT I

This is Exhibit " I " referred to in the
Affidavit of
Shayna McCracken
Sworn before me this 20th day
of July A.D., 20 17

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

weslease
INCOME GROWTH FUND


Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7

Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200


# NOTIFICATION – APPROVAL OF LEASE

**LESSEE:** 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally
**FROM:** Erin Sieger
**DATE:** **October 20, 2015**
**NUMBER OF PAGES:** One
**LEASE NUMBER:** **15110155 B**

**LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING**
(APPROVAL IS VALID FOR 30 DAYS)

**DESCRIPTION OF EQUIPMENT:** **1-** 42 Room Jack & Jill Framless Dorm Simonette #1
8 Dorms -2015 S/N 201504WB001, 201504WB002,
201504WB003, 201504WB004, 201504WB005, 201504WB006
201504WB007, 201504WB008

| | |
|---|---|
| **Purchase Price Net:** | **$ 1,075,000.00** |
| **Term of Lease 1510155B:** | **60 months** |
| **Monthly Payment:** | **$ 22,497.55** |
| **GST:** | **$ 1124.87** |
| **PST:** | **$ 0.00** |
| **Gross Monthly Payment:** | **$ 23,622.42** |

| | |
|---|---|
| **Lease Advance Payment (25% down):** | **$ 282,187.50** |
| **Registration Fee:** | **$ 350.00** |
| **Total First Payment (Due When Lease Signed):** | **$ 282,537.50** |

**Lease Payment Schedule:**

Initial payment of $ 282,537.50 due upon signing the lease & automatic withdrawal of monthly payments of $ 23,622.42 each month beginning November 2015. **Please select the preferred date for your automated lease monthly payments:**

☐ **15th** ☐ **End of the Month** ***Payments will be auto-debited from your account every month on this day**

**RESIDUAL** (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

**Approval Conditions:**

- ✓ Approval Notification must be initialed
- ✓ All lease documents must be signed accordingly
- ✓ Signed Promissory Note
- ✓ GSA must be signed
- ✓ Any payments that are returned NSF will be assessed a **$35.00 NSF** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- ✓ All rescheduled payments need a minimum of **72 hours** notice before the next scheduled payment is to be auto debited.
- ✓ A list of the client's contracts (work locations) must be provided
- ✓ Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund Inc. as first loss payable

LESSEE INITIALS: ______

# LEASE AGREEMENT

Lease No.

# 1510155B

WESLEASE Income Growth Fund Limited Partnership (the "Lessor")

11464–149th Street NW, Edmonton, AB, T5M 1W7, Phone: (780) 429-1900, Toll-Free: 1(877) 551-1432, Fax: (780) 451-1200

GST No. of the Lessor: 809006034

| | | | | | |
|---|---|---|---|---|---|
| Legal Name of Lessee (the "Lessee")<br>**1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally** | | | | | Contact Person<br>**Paul McCracken** |
| Address<br>**2900 – 10180 101 Street** | | | | | Title of Contact<br>**Owner** |
| City & Province<br>**Edmonton, Alberta** | | | | Postal Code<br>**T5J 3V5** | Cell Phone<br>**780-915-2469** |
| Bank Name and Address | | | | Account No. | Home Phone |
| Sales Representative Name | No. | Terr. | Vendor/ Branch | Weslease Only | E-Mail |
| Location of Equipment if different than Lessee's address shown above | | | | | Lessee's Drivers Licence No. |

| QTY | MAKE | MODEL | DESCRIPTION OF EQUIPMENT | SERIAL NUMBER |
|---|---|---|---|---|
| 8 | | 2015 | Jack & Jill Framless Dorms – Simonette #1 | 201504WB001,201504WB002,201504WB003,201504WB004,201504WB005,201504WB006,201504WB07,201504WB008. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | | | |
|---|---|---|---|---|
| Monthly Lease Payment: | $ 22,497.55 | Total Number of Monthly Lease Payments: | 60 | Total Lease Value: $1,799,804.40 + Taxes |
| GST: | $ 1,124.87 | Term of Lease: | 60 Months | **Lease Payment Schedule:** |
| Provincial Sales Tax: | $ 0.00 | **Amount Due When Lease Signed:** | | Initial payment of $282,537.50 due at signing & automatic withdrawal of monthly payments for the term of the lease of $22,497.55+ Taxes on your selected date (15th or Month End) each month beginning, November, 2015. |
| **Total Monthly Lease Payment:** | **$ 23,622.42** | 25% down payment (tax included): | $ 282,187.50 | |
| Lease Amount: $ 1,075,000.00 | | Plus registration fee: | $ 333.33 | |
| Lease Commences on Date signed by Lessee Unless otherwise stated. | | GST: | $ 16.67 | |
| | | PST: | $ 0.00 | ***** Final payment to include end of lease equipment purchase price of $100.00 + taxes** |
| | | **Total Initial Payment:** | **$ 282,537.50** | |

IN WITNESS WHEREOF the Lessor and Lessee have executed this Lease in the city of ____________, in the Province of _________, this _____ of Oct, 2015.

*Lessor:*

WESLEASE INCOME GROWTH FUND LIMTED PARTNERSHIP
by its GENERAL PARTNER WESLEASE INCOME GROWTH FUND GP LTD.

______________________________
Date of Acceptance

By: ______________________________
Signature of Authorized Officer c/s
Erin Sieger

*Lessee: 1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally*

By: ______________________
Paul McCracken
*Owner*

By: ______________________
Paul McCracken
*Authorized Signature*

## TERMS AND CONDITIONS OF LEASE

The terms, conditions and covenants set forth on pages 1, 2 and 3 of this Weslease Form 2014-01 are incorporated herein and form a part of this Lease and are agreed to by Lessor and Lessee.

LEASE OF EQUIPMENT. Lessee hereby leases from Lessor and Lessor hereby leases to Lessee the Equipment described above (hereinafter called the "Equipment") for the Term of Lease specified above (the "Term") subject to payment by the Lessee to the Lessor of the Number Of Total Monthly Lease Payments specified above, and upon the terms and conditions contained in this Lease. Lessee acknowledges that the Equipment has been acquired by Lessor at the request of and in accordance with the instructions of the Lessee.

ACCEPTANCE. Upon delivery of the Equipment to the Lessee, Lessee shall inspect, test and accept the Equipment and execute Lessor's usual form of Acceptance Certificate acknowledging that the Equipment is as ordered, is in good operating condition and repair and is fully satisfactory to the Lessee. Acceptance shall not be unreasonably withheld or delayed.

TERM. The Term of this Lease commences on the date on which the Lease is signed by the Lessee. (hereinafter referred to as the "Lease Commencement Date").

| INITIALS | |
|---|---|
| | X |
| LESSOR | LESSEE |

TOTAL MONTHLY LEASE PAYMENTS. Lessee agrees to pay to Lessor at the address of Lessor stated above, or such other place notified by Lessor to Lessee, the Total Monthly Lease Payment as specified above multiplied by the Number of Total Monthly Lease Payments as specified above. Unless otherwise stated, the first Total Monthly Lease Payment is due when Lessee signs this Lease; subsequent Total Monthly Lease Payments shall be made on the 15th day of each successive month thereafter throughout the Term. All payments required to be made by the Lessee under this Lease are payable without abatement, reduction, or set-off. This Lease shall not terminate or the respective obligations of Lessor and Lessee be otherwise affected by

| INITIALS | |
|---|---|
| | X |
| LESSOR | LESSEE |

## TERMS AND CONDITIONS OF LEASE

reason of defect in or damage to, or loss of possession of, or loss of use of, or destruction of the Equipment from whatever cause; the rental payments and all taxes and other charges payable by Lessee hereunder shall continue to be paid in all events in the manner and at the times specified unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

NO WARRANTIES BY LESSOR. Lessee acknowledges that neither Lessor nor any of its employees, agents or representatives has made and does not now make, any representation or warranty whatsoever, expressed or implied, with respect to the Equipment or any intellectual or industrial property rights therein or its merchantability or its condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever and all warranties are to the extent permitted by law excluded. Lessee shall unconditionally, and without abatement, reduction or set-off, pay the number of Total Monthly Payments even if the Equipment does not operate as intended by Lessee or at all or as represented by the manufacturer or the supplier, or, the Equipment operates or fails to operate in a manner that could give rise to a fundamental breach of contract, or is unacceptable for any other reason whatsoever. Lessor shall not be liable to Lessee for any loss, cost, expense, or damage of any kind or nature, or caused directly or indirectly by the Equipment or the use, ownership or maintenance thereof, and Lessor shall have no liability for any direct, indirect, punitive, exemplary, special or consequential damages or loss of profits, actual or anticipated, or for any damages based on strict or absolute tort or civil liability or the Lessor's negligence. Lessor hereby assigns to Lessee, to the extent assignable and without recourse to Lessor, all warranties of seller or manufacturer and rights to all software and other intellectual and industrial property licenses accompanying the Equipment. If the Equipment is returned to or repossessed by Lessor, all such warranties or rights shall be automatically reassigned to Lessor without further act or deed.

NON-CANCELLABLE LEASE. This Lease cannot be cancelled or terminated except as expressly provided herein and is not a conditional sales contract.

ENTIRE AGREEMENT. This Lease (Weslease Form 2014-01) constitutes the entire agreement between Lessor and Lessee respecting the Equipment. No one is authorized to waive, add to or alter any term or condition of this Lease except a duly authorized officer of the Lessor. Any alteration, amendment or addition to this Lease must be in writing and duly executed by the Lessor and Lessee.

LOCATION, USE AND RISK. The Equipment shall be at the risk of the Lessee as and from the Lease Commencement Date and shall be located and used at the place designated herein and not elsewhere without the prior written consent of the Lessor. Lessee shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial or professional purposes and shall not use the Equipment for any personal, family or household purpose and shall not part with possession or control of the Equipment or permit its use by any person other than the Lessee or employees of Lessee who are qualified and competent to operate same.

TITLE, OWNERSHIP AND SECURITY INTEREST IN EQUIPMENT. Title to, ownership of, and all property in the Equipment shall at all times be and remain exclusively in Lessor. Lessee's only rights in the Equipment are to quiet enjoyment and use on the terms and conditions of this Lease while not in default. Lessee shall at Lessor's request place such insignia, plates or other identification on the Equipment showing Lessor's title thereto. Lessee hereby pledges to and in favor of Lessor in an amount equal to One Hundred Twenty Per Cent (120%) of all Total Monthly Payments to be paid hereunder, all insurance claims and proceeds therefrom to secure it's obligations under this Lease.

MAINTENANCE, USE, OPERATION.

10.1 Lessee shall at its own expense:

(a) maintain the Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;
(b) comply with all recommendations or requirements of the manufacturer or supplier regarding the Equipment so as to preserve all warranties; and
(c) when requested by Lessor, enter into a maintenance agreement for the Equipment for the Term or balance thereof then remaining with the supplier or a competent service and maintenance person approved by Lessor.

10.2 Lessee shall not, without Lessor's prior written consent, make any alterations, additions, accessions or attachments to the Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of the Equipment or limit, interfere with, or frustrate its intended use;
(b) do not prejudice or adversely affect any warranties; and
(c) are free from, and do not subject the Equipment to, any lien.

10.3 All replacement parts and components, alterations, additions, accessions and attachments to the Equipment shall be deemed hereby transferred and assigned to Lessor and become the sole property of Lessor and shall be subject to this Lease.

INSPECTION. Any representative of Lessor shall have the right to inspect the Equipment and all of Lessee's books, maintenance and other records and other data maintained by Lessee with respect thereto at all reasonable times upon notice to Lessee.

INSURANCE. Lessee shall obtain and maintain for and during the Term and for so long as any sum remains payable hereunder, at its own expense, comprehensive all risks insurance against loss or damage to the Equipment, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor. The amount of insurance on the Equipment shall not be less than the greater of the full replacement value of the Equipment or the aggregate amount of the Total Monthly Payments then remaining unpaid under this Lease. Each insurance policy will name Lessee and Lessor as insured, will name Lessor as first loss payee thereunder, and waive the insurer's right of subrogation against the Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however that Lessor shall be under no duty to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. Lessee further agrees to give Lessor prompt notice of any damage to or loss of the Equipment, or any part thereof. Lessee will at its expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so, at Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of the Equipment, provided the Lessee is not in default hereunder or the Lessor may elect to have all proceeds of loss payable only to itself. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided

INTEREST. The annual interest rate is 22.5%

NO SUBLEASE OR ASSIGNMENT OF LEASE BY LESSEE. The Lessee shall not transfer, deliver up possession of or sublet the Equipment and the Lease hereby granted shall not be assignable by the Lessee without the prior written consent of the Lessor which consent may be arbitrarily withheld. Nothing contained herein shall prevent the Lessor from assigning, pledging, mortgaging, transferring or otherwise disposing either in whole or in part, of the Lessor's rights hereunder and any such consent shall not release or diminish the obligations of the Lessee under this Lease.

COMPLIANCE BY LESSEE WITH ALL LAWS, ORDINANCES. The Lessee shall comply with and conform to all laws, ordinances and regulations present or future, in any way relating to the ownership, possession, use or maintenance of the Equipment throughout the Term, or the ownership thereof by Lessor.

EQUIPMENT TO BE KEPT FREE OF LEVIES, LIENS, CHARGES. The Lessee shall keep the Equipment free of levies, liens, security interests and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal) which may be levied or assessed directly or indirectly against or on account of the Equipment or any interest therein or use thereof. If the Lessee shall fail to pay such license fees, registration fees, assessments, charges or taxes, the Lessor may pay such license fees, registration fees, assessments, charges and taxes as the case may be in which event the cost thereof shall constitute additional rent payable hereunder, which shall be forthwith due and payable, and the Lessor shall be entitled to all the rights and remedies provided herein in the event of default of payment of rent.

INDEMNIFICATION OF LESSOR BY LESSEE. Lessee shall indemnify and save harmless Lessor from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever sustained or suffered by Lessor or for which Lessor may become liable, resulting from or arising out of:

(a) the purchase of the Equipment by Lessor whether or not Lessee accepts the Equipment for the purposes of this Lease or the Equipment is delivered to Lessee;
(b) Lessor's lawful exercise or performance of its rights or obligations under this Lease;
(c) any default;
(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of the Equipment including strict liability in tort or in civil responsibility;
(e) any use or operation of the Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lessor or its employees, agents or duly authorized representatives; or
(f) any impairment or pollution of or damage to the environment caused by or arising from the installation, use, operation, maintenance or lack thereof, misuse or over-use of the Equipment or due to or arising from any failure by Lessee to comply with or any act by Lessee in violation of any term, condition or restriction of any licence, permit, consent or similar document issued in respect of the Equipment or the operation thereof.

EQUIPMENT TO REMAIN PERSONAL PROPERTY. The Equipment shall at all times during the Term be and remain personal or moveable property, regardless of the manner in which it may be attached to any real estate. The Lessee shall install the Equipment in a manner which will permit its removal without material injury to the place of installation. The Lessee shall be responsible for any damage done to any real property, including improvements by the removal of the Equipment and shall indemnify and save harmless the Lessor therefrom.

DEFAULT

18.1 The following shall be deemed to be Acts of Default by Lessee:

(a) Lessee fails to pay any Total Monthly Payment within ten (10) days of its due date;
(b) any insurance coverage required to be obtained and maintained by Lessee hereunder shall lapse, expire or be cancelled;
(c) any representation or warranty of Lessee made herein or in any instrument or document delivered to Lessor in connection herewith is false or materially incorrect or misleading;
(d) Lessee defaults in any other obligation hereunder or under any other agreement with Lessor or any affiliate of Lessor, and such , or default continues for a period of to ten (10) days after notice thereof by Lessor or such affiliate, as applicable, to Lessee (and for this purpose "affiliate" shall have the meaning attributed thereto in the Canada *Business Corporations Act*);
(e) any act of bankruptcy takes place respecting Lessee, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by Lessee or any other person, under any present or future statute or law relating to bankruptcy, insolvency, or relief from or compromise or arrangement with creditors of Lessee;
(f) Lessee ceases or threatens to cease to carry on business or makes or proposes to make any sale of its enterprise or of the whole or any substantial part of its assets in bulk or otherwise out of the normal course of business;
(g) any execution, sequestration, seizure, expropriation, restraint or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Lessee or the Equipment;
(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets, undertaking or enterprise of Lessee whether pursuant to any private instrument or agreement or by order of any court;
(i) if Lessee is a corporation, ownership of or control and direction over the property, assets, undertaking or enterprise of Lessee or the majority of its voting shares changes by amalgamation, merger, sale, transfer of shares or otherwise except pursuant to death of a share holder, or Lessee passes any resolution concerning any matter addressed in paragraph 18.1(e) or with respect to or any proceedings, voluntary or involuntarily, are commenced under any present or future law relating to amalgamation, liquidation, winding-up or dissolution; or
(j) any event or circumstance described in any of paragraphs 18.1(d) through (i) inclusive occurs with respect to any guarantor, or surety of Lessee respecting this Lease or any person who controls Lessee or any affiliate of Lessee (and for this purpose "control" and "affiliate" shall have the respective meanings attributed thereto in the Canada *Business Corporations Act*).

LESSOR'S REMEDIES ON DEFAULT. Upon any Act of Default, Lessor shall be entitled to do one or more of the following:

(a) declare this Lease to be in default (with or without terminating this Lease) whereupon all unpaid Total Monthly Payments specified above for the Term shall be accelerated and become immediately due and payable without any notice or demand whatsoever;
(b) terminate this Lease;
(c) take possession of the Equipment, without demand, notice or legal proceedings and enter on any premises of Lessee or any other person for such purpose.
(d) sell, lease or otherwise dispose of the Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lessor in its discretion determines;

| INITIALS | |
|---|---|
| | X |
| LESSOR | LESSEE |

## TERMS AND CONDITIONS OF LEASE

(e) whether or not this Lease may have been terminated, demand, sue for and recover damages arising out of such default, which damages shall include, without limitation, as a genuine pre-estimate of Lessor's liquidated damages for loss of bargain and not as a penalty, the aggregate of all unpaid Total Monthly Payments for the Term, discounted to present value at the rate of 5% per annum, compounded monthly, less the aggregate of the net proceeds derived from the sale, re-leasing or other disposition of the Equipment, after deducting all costs and expenses incurred by Lessor in disposing of the Equipment; and

(f) exercise any other rights or remedies and/or take any proceedings available to Lessor at law or in equity.

In lieu of selling, re-leasing or otherwise disposing of the Equipment, Lessor may retain and cause the Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds under Section 19(e) above. Proceeds of sale, re-lease or other disposition shall be deducted only when received, unless Lessor elects to take the present value of payments to be received under such sale, re-lease or other disposal, discounted at the rate of 5% per annum, compounded monthly.

ASSIGNMENT BY LESSOR. Lessor may at any time assign all or any part of its interest in the Equipment and/or this Lease without notice to or the consent of Lessee. Lessee hereby accepts any such assignments and waives notification of the assignment and the delivery of a copy of any assignment document. In the event of such assignment, the assignee shall be entitled to enforce the rights, remedies and benefits of the Lessor so assigned to the assignee and to receive all benefits which would otherwise accrued to the Lessor under this Lease.

RETURN OF EQUIPMENT UPON TERMINATION. Upon the termination of this Lease for any reason, the Lessee shall at its cost return the Equipment to the Lessor at a place in Canada designated by Lessor, in as good condition, order, repair and appearance as when originally delivered to Lessee, ordinary wear and tear only excepted, and if the Lessee fails to do so within ten (10) days, the Lessor shall have the right to enter upon the premises where the Equipment may be and take possession of and remove it at the Lessee's expense, all without legal process and without liability therefor.

WAIVER BY LESSOR. No covenant or condition of this Lease can be waived except by the written consent of the Lessor, and forbearance or indulgence by the Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the Lessee to which the same may apply, and until complete performance by the Lessee of said covenant or condition, the Lessor shall be entitled to invoke any remedy available to the Lessor under this Lease or by law, despite said forbearance or indulgence.

COLLECTION CHARGES. Should the Lessee fail to pay when due any sum required to be paid by the Lessee to the Lessor under this Lease, the Lessee agrees to pay to the Lessor interest on the amount in default from the due date thereof until paid at the rate of twenty-four per cent (24%) per annum.

PREAUTHORIZED PAYMENT. Lessee agrees that it will authorize Lessor to draw the Total Monthly Payments from the Lessee's bank account under the Lessor's pre-authorized payment plan. Payment by other means must receive the Lessor's prior approval and will nevertheless be subject to a service fee at Lessor's sole discretion.

TIME OF THE ESSENCE. Time is of the essence of this Lease and each and all of its provisions.

RENEWAL OF LEASE OR OPTION TO PURCHASE.

26.1 If, at the expiry of the Term the Lessee fails to return the Equipment to the Lessor or has not exercised the option to purchase the Equipment upon expiry of the Term as herein provided, then this Lease shall continue on a month to month basis at a monthly rent equal to the Total Monthly Lease Payment. All other terms and conditions contained herein shall continue to apply to the month to month tenancy hereby created.

26.2 The Lessee shall have the option to purchase the Equipment at the end of the Term for the sum of $100.00, unless stated otherwise on page one (1) of this agreement, providing all of the Total Monthly Lease Payments required under this Lease, have been punctually paid. Lessee must notify Lessor in writing not more than 30 days or less than 10 days prior to expiry of the Term, if Lessee desires to purchase the Equipment. Upon payment of the purchase price for the Equipment, the Lessor will deliver title to the Equipment to the Lessee at the end of the Term on a "as is, where is" basis without any condition, representation or warranty by the Lessor of any kind whatsoever, express or implied, including without limiting the generality of the foregoing, the merchantability, condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever, and all warranties are to the extent permitted by law excluded. The option to purchase cannot be assigned by Lessee and any assignment or purported assignment thereof shall be null and void and shall be deemed an Act of Default, as defined in this Lease.

BINDING UPON HEIRS, EXECUTORS, SUCCESSORS AND ASSIGNS. This Lease shall enure to the benefit of and be binding upon the Lessor and it's successors and assigns and the Lessee and it's permitted assigns and the heirs, executors and administrators of the Lessee if an individual, provided that nothing in this Clause contained shall impair or negate any of the provisions herein before set forth prohibiting transfer or subletting of the Equipment by the Lessee, or assignment of this Lease by the Lessee without the written consent of the Lessor.

HEADINGS. The insertion of headings in this Lease is for convenience of reference only and shall not affect the interpretation thereof.

INTERPRETATION. It is hereby agreed by and between the parties hereto that whenever the context of this Lease so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and if more than one person or corporation executes this Lease as Lessee, their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Lease to Lessee shall include reference to any one or more or all of such persons and corporations and the acts or omissions of any such persons or corporations shall bind all of them.

LEGAL EXPENSES. If this Lease is placed in the hands of a solicitor for enforcement, the Lessee agrees to pay all costs, charges and expenses incurred by the Lessor in connection with enforcing this Lease, including without limitation, legal fees on a solicitor and his own client basis.

GOVERNING LAW. This Lease shall be interpreted and enforced in accordance with the laws of the Province wherein the Equipment is to be located according to the terms hereof.

CREDIT INVESTIGATION. Lessee hereby consents and authorizes Lessor and it's agents and representatives at any time:

(a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to the Lessee ("Information"), as Lessor deems necessary to process, service and enforce this Lease and any other existing or potential transactions, or as required or otherwise permitted by law; and

(b) to respond to inquiries from, and exchange any information with third parties concerning Lessee's credit rating, financial capacity and payment history; and

(c) to provide information to persons to whom Lessor considers assigning or otherwise disposing of rights or obligations under this Lease; and

(d) to provide to any person copies of this Lease. This consent is in addition to and does not replace any consent previously given.

STATEMENTS. Annually and within ninety (90) days of the end of each financial year of the Lessee, Lessee shall deliver to Lessor at Lessor's request a copy of the Lessee's financial statement as at the end of each financial year of Lessee prepared using Generally Accepted Accounting Principles.

NOTICES. Any notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing, and shall be delivered personally or mailed by registered mail postage prepaid, or faxed by electronic facsimile to the parties at their respective addresses or facsimile numbers set forth herein or at any such other address or facsimile number as may be given by one party to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or faxed, shall be deemed to have been given on the day of delivery or transmission, if a business day, or if not a business day, on the business day next following the day of delivery or transmission, provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered or transmitted by fax.

CLERICAL ERRORS. Lessor is authorized by Lessee to correct clerical or inadvertent errors appearing in this Lease.

STATUTORY WAIVER AND ACKNOWLEDGEMENT. Lessee acknowledges receipt of a true copy of this Lease and waives its rights to receive any copy of any financing statement or financing change statement registered by Lessor and of any related verification statement. Lessee waives to the full extent allowed by law, the provisions of the *Limitation of Civil Rights Act* (Saskatchewan), the *Distress Act* (Manitoba), Sections 19 through 24 of the *Sale of Goods on Condition Act* (British Columbia), Sections 47, 49 and 50 of the *Law of Property Act* (Alberta), and the sale of goods legislation of any applicable jurisdiction all as amended or replaced from time to time.

CURRENCY. Unless otherwise stated in this Lease, all sums of money payable hereunder shall be paid in Canadian Dollars.

SEVERABILITY. Any term, condition or provision of this Lease which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

SECURITY INTEREST. The security interest granted by the Lessee to the Lessor by this Lease includes the Equipment together with all accessories installed in or affixed to or attached or appertaining to the Equipment and all personal property in any form or fixtures derived directly or indirectly from any dealing therewith and includes payment representing indemnity or compensation for loss or damage thereof or proceeds therefrom.

FINANCING STATEMENTS.

41.1 Lessor is hereby authorized to file one or more financing statements in respect of this Lease. Lessee hereby irrevocably appoints Lessor as the true and lawful attorney-in-fact of Lessee, coupled with an interest, with full power in Lessee's name, place and stead to execute financing statements on Lessee's behalf and to do any and all other acts on Lessee's behalf necessary or helpful to perfect Lessor's security interest in the Equipment pursuant to any applicable personal property security legislation and pursuant to any other applicable provincial or federal law.

41.2 Any security interest granted herein shall attach to any proceeds and Lessee and Lessor agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Equipment and that such security interests shall attach to any Equipment leased by Lessee from Lessor after the date hereof. Lessor may at any time, with or without exercising any of the rights or remedies available to it and without prior notice or demand to Lessee, appropriate and apply toward payment of any of Lessee's obligations to Lessor any and all balances, sums, property, credits, deposits, accounts, reserves, collections, monies, drafts, notes or cheques coming into Lessor's possession and belonging or owing to Lessee and for such purposes, endorse Lessee's name on any such instrument made payable to Lessor for deposit, negotiation, discount or collection.

GENERAL SECURITY INTEREST. To further secure performance of the obligations of the Lessee under this Lease, Lessee grants to Lessor a general security interest, as defined in the Personal Property Security Act (Alberta) in all present and after acquired personal property of the Lessee.

ACCEPTANCE. Lessee understands and accepts the terms and conditions of this Lease and all of the obligations of the Lessee herein.

LANGUAGE. The parties hereto have expressly required that this Lease and all documents, agreements and notices relating thereto be drafted in the English language.

| INITIALS | |
|---|---|
| | X |
| LESSOR | LESSEE |

# GENERAL SECURITY AGREEMENT

**To:**

WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER WESLEASE INCOME GROWTH FUND GP LTD.
(hereinafter referred to as the "Secured Party")

**From:**

1919209 ALBERTA LTD AND PAUL MCCRACKEN, ACTING JOINTLY AND SEVERALLY
(hereinafter referred to as the "Debtor")

**1. Definitions**

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Alberta, as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefore and amendments thereto is herein defined as the "PPSA".

**2. Security Interest**

As continuing security for the payment and performance of all debts, liabilities and obligations of the Debtor to the Secured Party howsoever arising (present and future, absolute and contingent) (the "Indebtedness") the Debtor grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants a Security Interest to and in favor of the Secured Party in the undertaking of the Debtor and in all personal property referred to in schedule "A" and in all Proceeds and renewals thereof, accessions thereto and substitutions therefor (the "Collateral"). The Debtor warrants and acknowledges to and in favor of the Secured Party that:

a) the parties intend the Security Interest hereby constituted in its existing property to attach upon execution and delivery hereof;

b) the parties intend the Security Interest created in after-acquired property of the Debtor to attach at the same time as it acquired rights in the said after-acquired property; and

c) value has been given

**3. Continuous Interest**

The mortgage, pledge, charge and Security Interest hereby created shall be a continuous charge notwithstanding the Indebtedness may be fluctuating and even may from time to time, and at any time, be reduced to a nil balance and notwithstanding monies advanced may be repaid and further advanced made to or to the order of the Debtor or in respect of which the Debtor is liable.

**4. Authorized Dealing With Collateral**

Until Default, or until the Secured Party provides written notice to the contrary to the Debtor, the Debtor may deal with the collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may not, and agrees that it will not, without prior written consent of the Secured Party:

a) sell or dispose of any of the Collateral otherwise than for fair market value in the ordinary course of the Debtor's business as it is presently conducted and for the purpose of carrying on that business, or

b) create or incur any Security Interest, lien, assessment, or encumbrance upon any of the Collateral which ranks or purports to rank, or is capable of being enforced in priority to or equally with the Security Interest granted under this Agreement, except Purchase Money Security Interests and Leases uncured in the ordinary course of the Debtor's business.

5. **Representations and Warranties of the Debtor**

The Debtor hereby represents and warrants with the Secured Party that:

a) the collateral is owned by the Debtor free of all Security Interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances");

b) this Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditor's rights and by rules of equity governing enforceability by specific performance;

c) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there ant statute, rule or regulation, or ant judgment, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Agreement;

d) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or operations or impair the Debtor's ability to perform hereunder.

6. **Covenants of the Debtor**

The Debtor hereby covenants with the Secured Party that:

a) the Debtor owns and will maintain the Collateral free of Encumbrances, or those hereafter approved in writing by the Secured Party prior to their creation or assumption, and will defend title to the Collateral fir the benefit of the Secured Party against the claims and demands of all persons;

b) the Debtor will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired, and will permit the Secured Party or such persons as the Secured Party may from time to time appoint to enter into any premises where the Collateral may be kept to view its condition;

c) to pay the Secured Party the Indebtedness including, without limitation, all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitor's and auditor's costs and other legal expenses and Receiver remuneration), in operating the Debtor's Accounts, in preparing or enforcing the General Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing and collecting the Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby;

d) that if by reason of location of the Collateral or otherwise the creation, validity or perfection of the Security Interest provided for herein is governed by law of a jurisdiction other than Alberta, then the Debtor shall take such steps and execute and deliver such papers as the Secured Party may from time to time request to comply with the Personal Property Security Act and other laws of another province or provinces, or the laws of Canada.

7. **Default**

The happening of any of the following shall constitute Default under this Agreement:

a) The Debtor fails to pay, when due, the Indebtedness or any part thereof or to perform when due any other obligation to the Secured Party;

b) The Debtor fails when due to perform any obligation to any other person, and such failure is not cured within 30 days of the date the Debtor first knew or should have known of such failure;

c) Any representation or warranty made in this Agreement or any other document or report furnished to the Secured Party in respect of the Debtor or the Collateral proves to have been or to have become false or materially misleading;

d) The Debtor ceases or demonstrates an intention to cease to carry on business or disposes or purports to dispose of all or a substantial part of its assets;

e) An order is made or a resolution is passed for winding up the Debtor or a petition is filed for the winding up, dissolution, liquidation or amalgamation of the Debtor;

f) The Debtor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Debtor, or a Receiver of the Debtor, or any part of its property is appointed, or the Debtor commits or demonstrates an intention to commit any act of bankruptcy, or the Debtor otherwise becomes subject to the provisions of the Bankruptcy Act or any other Act for the benefits of its creditors;

g) Any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Debtor, or a outside Secured Party takes possession of any of the Debtor's property;

h) Any material adverse change occurs in the financial position of the Debtor;

i) The Secured Party considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

**8. <u>Remedies</u>**

**On Default:**

a) The Secured Party may seize or otherwise take possession of the Collateral or any part thereof and sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;

b) The Secured party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and dispose of the Collateral by any method permitted by law, including disposal by lease or deferred payment;

c) Subject to the Act, all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied on the account of the Indebtedness in such manner as the Secured Party deems appropriate or at the option of the Secured Party, may he held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder and any surplus shall be accounted for as required by law;

d) The Debtor acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the Collateral shall not in any way restrict, hinder or estop the Secured Party from suing for and obtaining judgment against the Debtor for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the Collateral, including all legal fees and disbursements as between a solicitor and his own client and any and all other reasonable professional fees including, without limitation, Receiver and accounting fees and disbursements;

e) The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain possession or payment of the Collateral or any part thereof and shall not be bound to institute proceeding for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect to the same;

f) The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Collateral;

g) The Secured Party may appoint any person or persons to be a Receiver of any Collateral. And may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a Receiver-Manager;

h) Any Receiver will have the power:

i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;

ii) to carry on or concur in carrying on the business of the Debtor;

iii) to sell and dispose of any or all of the Collateral at public auction, by public or private tender or by private sale at such time and on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price, and as to method of payment whether by way of deferred payment or otherwise, as the Receiver shall in its sole discretion determine and to deliver to the purchaser or purchasers of the Collateral good and sufficient deeds or title documents for the same, the Receiver being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale shall be absolute and conclusive as against the Debtor or any person claiming by, from, through or under the Debtor and the Debtor's assigns;

iv) to make any arrangement or compromise which he may think expedient in the interest of the Secured Party

v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;

vi) to hold as additional security any increase or profits resulting from the Collateral;

vii) to exercise all rights that the Secured Party have under this Agreement or otherwise at law.

i) The Debtor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect sale or lease of any Collateral and any deed, lease, agreement or other document signed by the Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the debtor;

j) Any Receiver will be deemed to be the agent of the Debtor, and the Debtor will solely be responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any receiver;

k) Neither the Secured Party nor the Sheriff is required to keep Collateral identifiable;

l) The Secured Party may use the Collateral in any manner as it in its sole discretion deems advisable.

**9. <u>Securities</u>**

If the Collateral at any time includes Securities, the Debtor irrevocably authorizes and appoints the Secured Party as its attorney and agent to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof; provided that, until Default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

**10. <u>Acceleration</u>**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness due and payable by the Debtor which is not by its terms payable on demand, to be immediately due and payable, and the Secured Party shall be entitled to proceed in accordance with the terms of paragraph 8 hereof.

**11. <u>Notice</u>**

Any notice or demand required or permitted to be made or given by the Secured Party to the Debtor may be validly served by leaving the same or by mailing the same by prepaid registered mail addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of the Secured Party, and in the case of mailing such notice or demand shall be deemed to have been received by the Debtor in the third business day following the date of mailing.

**12.** **Costs and Expenses**

The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality if the forgoing, legal fees as between a solicitor and client on a full indemnity basis), in enforcing this Agreement and taking custody of the Collateral and all such costs, charges and expenses shall be a first charge on the proceeds of realization, collection, or disposition of Collateral and shall be secured hereby.

**13.** **Miscellaneous**

a) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party and all such other securities shall remain in full force and effect.

b) The Debtor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, or as may be required by the Secured Party from time to time.

c) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

d) If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any deficiency remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

**14.** **Copy of Agreement**

The Debtor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it.

IN WITNESS WHEREOF the Debtor has executed this Agreement this _________ day of October, 2015.

_________________________
Witness

By: _________________________
Paul McCracken
*Authorized Signature*

By: _________________________
Paul McCracken
*Owner*

## SCHEDULE "A"

**Description of Collateral**

All of the Debtor's present and after acquired personal property being Goods, Documents of Title, Securities, Chattel Paper, Instruments, Money and Intangibles, including, without limitation, the following:

a) All present and after-acquired Equipment, and any Proceeds therefor, including, without limiting the generality of the foregoing, all fixtures, plant machinery, tools and furniture nor hereafter owned or acquired,

b) All present and after-acquired Inventory and any Proceeds therefor, including, without limiting the generality of the foregoing, all raw materials, Goods in process, finished Goods, and packaging materials and Goods acquired or held for sale or furnished or to be furnished under contracts of rental or service; and

c) All present and after-acquired Intangibles and Proceeds therefor, including, without limiting the generality of the foregoing, all debts, accounts, chooses in action, claims, demands and monies now due or owing or accruing due or which may hereafter become due or owing to the Debtor, including (without limiting the foregoing) claims against the Crown in the Right of Canada or of any province, monies which may become payable under any policy or insurance in respect of any loss by fire or other cause which has been or may be incurred by the Debtor (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof.

d) Description of Equipment includes:
42 Room Jack & Jill Framless Dorm Simonette #1
8 Dorms -2015 S/N 201504WB001, 201504WB002,
201504WB003, 201504WB004, 201504WB005, 201504WB006
201504WB007, 201504WB008

I/We hereby acknowledge that the leased equipment referred to herein is not for resale.

**LESSEE INITIALS** ________

weslease
INCOME GROWTH FUND

Weslease Income Growth Fund Limited Partnership 11464 - 149th Street Edmonton, AB T5M 1W7
Phone: (780) 429-1900 www.weslease.com Fax: (780) 451-1200

To: WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP

## ACCEPTANCE CERTIFICATE

We hereby acknowledge complete and satisfactory Delivery and Installation of the equipment described in the agreement made between Weslease Income Growth Fund Limited Partner as Lessor and the undersigned, as Lessee. We hereby represent and warrant to you, that the said lease agreement is unconditionally accepted by us and that the subject equipment or machinery was personally selected by us from the Dealer/Vendor. It is of the type and nature specified by us and we waive any claim or offset the Lessor. We recognize the right of the Lessor to enforce the said Lease Agreement in accordance with its conditions, free from any defenses, offsets or counter claims. We hereby acknowledge and agree that any claims, warranties guarantees, or representations made by the Dealer/Vendor to us by and between ourselves and the Dealer/Vendor, and that any failure of the leased equipment to perform satisfactorily for any reason, or any insuffiency in the service, warranty or representation by the Dealer/Vendor shall not alter our liability or performance in the prompt and timely payment of each and every lease payment when due. We acknowledge and agree that said lease agreement constitutes the only agreement and the whole agreement between ourselves and the Lessor. We authorize the Lessor to provide payment to the Dealer/Vendor(s) in the amount(s) as stated in the Dealer/Vendor(s) invoice by the Lessor and acknowledge that the said Lease Agreement shall commence upon release of payment to the Dealer/Vendor(s) by the Lessor.

LESSEE INITIALS ________

## WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
## AUTOMATIC PAYMENT PLAN

Weslease Income Growth Fund LP is hereby requested and authorized to draw payments monthly under its Automatic Payment Plan, such payments to be charged against the account of the undersigned as shown within and to cover the lease payment and the buy out amount in accordance with the terms and conditions of the Lease agreement(s) between the undersigned Lessee and Weslease Income Growth Fund LP. **Any payments that are returned NSF will be assessed a $35.00 NSF fee and the payment will be auto-debited from the clients account on the 25th of the respective month.**

Executed in the city of ________________ in the province of ____________ this ________ day of October, 2015

**LESSEE NAME**: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally

**LEASE NUMBER**: 1510155B

LESSEE: ______________________________
Paul McCracken
*Authorized Signature*

**SELECT METHOD FOR MONTHLY PAYMENTS**

- ☐ Automatic Bank Withdrawal (provide Void cheque)
- ☐ Direct Deposit
- ☐ Cheque
- ☐ Visa/ MasterCard (complete the authorization form)

Weslease Income Growth Fund Limited Partnership 11464 - 149th Street Edmonton, AB T5M 1W7
Phone: (780) 429-1900 www.weslease.com Fax: (780) 451-1200

# CREDIT CARD AUTHORIZATION FORM

I/ We ______________________________, authorize Weslease Income Growth Fund LP to charge the following credit card every month for subsequent payments for Lease No. ________________

**CREDIT CARD TYPE:** ☐ VISA ☐ MASTERCARD ☐ AMERICAN EXPRESS

**CREDIT CARD #:** ______________________________

**CARD CVV #** (last 3 numbers in the back of the card): ________________

**EXPIRATION DATE:** ________________

______________________________
*SIGNATURE OF CARDHOLDER*

______________________________
Date

weslease
INCOME GROWTH FUND


| | | |
|---|---|---|
| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


# INSURANCE INFORMATION

**LEASE NUMBER: 1510155B**

**Lessee Name: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally**

Per section 12 of the Lease Financing Agreement, the client is required to provide proof of insurance with Weslease Income Growth Fund Limited Partnership as first loss payable. Please provide the following:

✓ NAME OF INSURANCE COMPANY, CITY & PROVINCE:

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✓ NAME OF CONTACT AT INSURANCE COMPANY:

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✓ PHONE AND/OR FAX NUMBER OF INSURANCE COMPANY:

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**CLIENT KEEPS INSURANCE INFORMATION FORM**
**COMPLETED FORM MUST BE RETURNED BY: FAX TO 780-451-1200, EMAIL TO INFO@WESLEASE.COM OR SEND BACK WITH EXECUTED LEASE DOCUMENTS**

weslease
INCOME GROWTH FUND


| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
|---|---|---|
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


# NOTIFICATION – APPROVAL OF LEASE

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| **LESSEE:** | 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally |
| **FROM:** | Erin Sieger |
| **DATE:** | **October 20, 2015** |
| **NUMBER OF PAGES:** | One |
| **LEASE NUMBER:** | **15110155 C** |

**LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING**
(APPROVAL IS VALID FOR 30 DAYS)

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| **DESCRIPTION OF EQUIPMENT:** | 1- 42 Room Jack & Jill Framless Dorm Simonette #2<br>8 Dorms -2015 S/N 201504WB001, 201504WB002, 201504WB003, 201504WB004, 201504WB005, 201504WB006 201504WB007, 201504WB008 |
| **Purchase Price Net:** | **$ 1,075,000.00** |
| **Term of Lease 1510155B:** | **60 months** |
| **Monthly Payment:** | **$ 22,497.55** |
| **GST:** | **$ 1124.87** |
| **PST:** | **$ 0.00** |
| **Gross Monthly Payment:** | **$ 23,622.42** |

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| **Lease Advance Payment (25% down):** | **$ 282,187.50** |
| **Registration Fee:** | **$ 350.00** |
| **Total First Payment (Due When Lease Signed):** | **$ 282,537.50** |

**Lease Payment Schedule:**

Initial payment of $ 282,537.50 due upon signing the lease & automatic withdrawal of monthly payments of $ 23,622.42 each month beginning November 2015. **Please <u>select</u> the preferred date for your automated lease monthly payments:**

☐ **15th** ☐ **End of the Month** ***Payments will be auto-debited from your account every month on this day**

**RESIDUAL** (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

**Approval Conditions:**

- ✓ Approval Notification must be initialed
- ✓ All lease documents must be signed accordingly
- ✓ Signed Promissory Note
- ✓ GSA must be signed
- ✓ Any payments that are returned NSF will be assessed a **<u>$35.00 NSF</u>** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- ✓ All rescheduled payments need a minimum of **<u>72 hours</u>** notice before the next scheduled payment is to be auto debited.
- ✓ A list of the client's contracts (work locations) must be provided
- ✓ Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund Inc. as first loss payable

LESSEE INITIALS: ______

# LEASE AGREEMENT

Lease No.

**1510155C**

WESLEASE Income Growth Fund Limited Partnership (the "Lessor")

11464–149th Street NW, Edmonton, AB, T5M 1W7, Phone: (780) 429-1900, Toll-Free: 1(877) 551-1432, Fax: (780) 451-1200

GST No. of the Lessor: 809006034

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|---|---|---|---|---|---|
| Legal Name of Lessee (the "Lessee")<br>**1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally** | | | | | Contact Person<br>**Paul McCracken** |
| Address<br>**2900 – 10180 101 Street** | | | | | Title of Contact<br>**Owner** |
| City & Province<br>**Edmonton, Alberta** | | | | Postal Code<br>**T5J 3V5** | Cell Phone<br>**780-915-2469** |
| Bank Name and Address | | | | Account No. | Home Phone |
| Sales Representative Name | No. | Terr. | Vendor/ Branch | Weslease Only | E-Mail |
| Location of Equipment if different than Lessee's address shown above | | | | | Lessee's Drivers Licence No. |

| QTY | MAKE | MODEL | DESCRIPTION OF EQUIPMENT | SERIAL NUMBER |
|---|---|---|---|---|
| 8 | | 2015 | Jack & Jill Framless Dorms – Simonette #2 | 201504WB001,201504WB002,201504WB003,201504WB004,201504WB005,201504WB006,201504WB07,201504WB008. |
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| Monthly Lease Payment: | $ 22,497.55 | Total Number of Monthly Lease Payments: | 60 | Total Lease Value: $1,799,804.40 + Taxes |
| GST: | $ 1,124.87 | Term of Lease: | 60 Months | **Lease Payment Schedule:** |
| Provincial Sales Tax: | $ 0.00 | **Amount Due When Lease Signed:** | | Initial payment of $282,537.50 due at signing & automatic withdrawal of monthly payments for the term of the lease of $22,497.55+ Taxes on your selected date (15th or Month End) each month beginning, November, 2015. |
| **Total Monthly Lease Payment:** | $ 23,622.42 | 25% down payment (tax included): | $ 282,187.50 | |
| | | Plus registration fee: | $ 333.33 | |
| Lease Amount: $ 1,075,000.00 | | GST: | $ 16.67 | |
| Lease Commences on Date signed by Lessee Unless otherwise stated. | | PST: | $ 0.00 | *** **Final payment to include end of lease equipment purchase price of $100.00 + taxes** |
| | | **Total Initial Payment:** | **$ 282,537.50** | |

IN WITNESS WHEREOF the Lessor and Lessee have executed this Lease in the city of _____________, in the Province of _________, this _____ of Oct, 2015.

*Lessor:*

WESLEASE INCOME GROWTH FUND LIMTED PARTNERSHIP
by its GENERAL PARTNER WESLEASE INCOME GROWTH
FUND GP LTD.

______________________________
Date of Acceptance

By: ______________________________
Signature of Authorized Officer c/s
Erin Sieger

*Lessee: 1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally*

By: ______________________________
Paul McCracken
*Owner*

By: ______________________________
Paul McCracken
*Authorized Signature*

## TERMS AND CONDITIONS OF LEASE

The terms, conditions and covenants set forth on pages 1, 2 and 3 of this Weslease Form 2014-01 are incorporated herein and form a part of this Lease and are agreed to by Lessor and Lessee

LEASE OF EQUIPMENT. Lessee hereby leases from Lessor and Lessor hereby leases to Lessee the Equipment described above (hereinafter called the "Equipment") for the Term of Lease specified above (the "Term") subject to payment by the Lessee to the Lessor of the Number Of Total Monthly Lease Payments specified above, and upon the terms and conditions contained in this Lease. Lessee acknowledges that the Equipment has been acquired by Lessor at the request of and in accordance with the instructions of the Lessee.

ACCEPTANCE. Upon delivery of the Equipment to the Lessee, Lessee shall inspect, test and accept the Equipment and execute Lessor's usual form of Acceptance Certificate acknowledging that the Equipment is as ordered, is in good operating condition and repair and is fully satisfactory to the Lessee. Acceptance shall not be unreasonably withheld or delayed.

TERM. The Term of this Lease commences on the date on which the Lease is signed by the Lessee. (hereinafter referred to as the "Lease Commencement Date").

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| LESSOR | LESSEE |

TOTAL MONTHLY LEASE PAYMENTS. Lessee agrees to pay to Lessor at the address of Lessor stated above, or such other place notified by Lessor to Lessee, the Total Monthly Lease Payment as specified above multiplied by the Number of Total Monthly Lease Payments as specified above. Unless otherwise stated, the first Total Monthly Lease Payment is due when Lessee signs this Lease; subsequent Total Monthly Lease Payments shall be made on the 15th day of each successive month thereafter throughout the Term. All payments required to be made by the Lessee under this Lease are payable without abatement, reduction, or set-off. This Lease shall not terminate or the respective obligations of Lessor and Lessee be otherwise affected by

| INITIALS | |
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| | X |
| LESSOR | LESSEE |

## TERMS AND CONDITIONS OF LEASE

reason of defect in or damage to, or loss of possession of, or loss of use of, or destruction of the Equipment from whatever cause; the rental payments and all taxes and other charges payable by Lessee hereunder shall continue to be paid in all events in the manner and at the times specified unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

NO WARRANTIES BY LESSOR. Lessee acknowledges that neither Lessor nor any of its employees, agents or representatives has made and does not now make, any representation or warranty whatsoever, expressed or implied, with respect to the Equipment or any intellectual or industrial property rights therein or its merchantability or its condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever and all warranties are to the extent permitted by law excluded. Lessee shall unconditionally, and without abatement, reduction or set-off, pay the number of Total Monthly Payments even if the Equipment does not operate as intended by Lessee or at all or as represented by the manufacturer or the supplier, or, the Equipment operates or fails to operate in a manner that could give rise to a fundamental breach of contract, or is unacceptable for any other reason whatsoever. Lessor shall not be liable to Lessee for any loss, cost, expense, or damage of any kind or nature, or caused directly or indirectly by the Equipment or the use, ownership or maintenance thereof, and Lessor shall have no liability for any direct, indirect, punitive, exemplary, special or consequential damages or loss of profits, actual or anticipated, or for any damages based on strict or absolute tort or civil liability or the Lessor's negligence. Lessor hereby assigns to Lessee, to the extent assignable and without recourse to Lessor, all warranties of seller or manufacturer and rights to all software and other intellectual and industrial property licenses accompanying the Equipment. If the Equipment is returned to or repossessed by Lessor, all such warranties or rights shall be automatically reassigned to Lessor without further act or deed.

NON-CANCELLABLE LEASE. This Lease cannot be cancelled or terminated except as expressly provided herein and is not a conditional sales contract.

ENTIRE AGREEMENT. This Lease (Weslease Form 2014-01) constitutes the entire agreement between Lessor and Lessee respecting the Equipment. No one is authorized to waive, add to or alter any term or condition of this Lease except a duly authorized officer of the Lessor. Any alteration, amendment or addition to this Lease must be in writing and duly executed by the Lessor and Lessee.

LOCATION, USE AND RISK. The Equipment shall be at the risk of the Lessee as and from the Lease Commencement Date and shall be located and used at the place designated herein and not elsewhere without the prior written consent of the Lessor. Lessee shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial or professional purposes and shall not use the Equipment for any personal, family or household purpose and shall not part with possession or control of the Equipment or permit its use by any person other than the Lessee or employees of Lessee who are qualified and competent to operate same.

TITLE, OWNERSHIP AND SECURITY INTEREST IN EQUIPMENT. Title to, ownership of, and all property in the Equipment shall at all times be and remain exclusively in Lessor. Lessee's only rights in the Equipment are to quiet enjoyment and use on the terms and conditions of this Lease while not in default. Lessee shall at Lessor's request place such insignia, plates or other identification on the Equipment showing Lessor's title thereto. Lessee hereby pledges to and in favor of Lessor in an amount equal to One Hundred Twenty Per Cent (120%) of all Total Monthly Payments to be paid hereunder, all insurance claims and proceeds therefrom to secure it's obligations under this Lease.

MAINTENANCE, USE, OPERATION.

10.1 Lessee shall at its own expense:

(a) maintain the Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;

(b) comply with all recommendations or requirements of the manufacturer or supplier regarding the Equipment so as to preserve all warranties; and

(c) when requested by Lessor, enter into a maintenance agreement for the Equipment for the Term or balance thereof then remaining with the supplier or a competent service and maintenance person approved by Lessor.

10.2 Lessee shall not, without Lessor's prior written consent, make any alterations, additions, accessions or attachments to the Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of the Equipment or limit, interfere with, or frustrate its intended use,

(b) do not prejudice or adversely affect any warranties; and

(c) are free from, and do not subject the Equipment to, any lien.

10.3 All replacement parts and components, alterations, additions, accessions and attachments to the Equipment shall be deemed hereby transferred and assigned to Lessor and become the sole property of Lessor and shall be subject to this Lease.

INSPECTION. Any representative of Lessor shall have the right to inspect the Equipment and all of Lessee's books, maintenance and other records and other data maintained by Lessee with respect thereto at all reasonable times upon notice to Lessee.

INSURANCE. Lessee shall obtain and maintain for and during the Term and for so long as any sum remains payable hereunder, at its own expense, comprehensive all risks insurance against loss or damage to the Equipment, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor. The amount of insurance on the Equipment shall not be less than the greater of the full replacement value of the Equipment or the aggregate amount of the Total Monthly Payments then remaining unpaid under this Lease. Each insurance policy will name Lessee and Lessor as insured, will name Lessor as first loss payee thereunder, and waive the insurer's right of subrogation against the Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however that Lessor shall be under no duty to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. Lessee further agrees to give Lessor prompt notice of any damage to or loss of the Equipment, or any part thereof. Lessee will at its expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so, at Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of the Equipment, provided the Lessee is not in default hereunder or the Lessor may elect to have all proceeds of loss payable only to itself. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided.

INTEREST. The annual interest rate is 22.5%

NO SUBLEASE OR ASSIGNMENT OF LEASE BY LESSEE. The Lessee shall not transfer, deliver up possession of or sublet the Equipment and the Lease hereby granted shall not be assignable by the Lessee without the prior written consent of the Lessor, which consent may be arbitrarily withheld. Nothing contained herein shall prevent the Lessor from assigning, pledging, mortgaging, transferring or otherwise disposing either in whole or in part, of the Lessor's rights hereunder and any such consent shall not release or diminish the obligations of the Lessee under this Lease.

COMPLIANCE BY LESSEE WITH ALL LAWS, ORDINANCES. The Lessee shall comply with and conform to all laws, ordinances and regulations present or future, in any way relating to the ownership, possession, use or maintenance of the Equipment throughout the Term, or the ownership thereof by Lessor.

EQUIPMENT TO BE KEPT FREE OF LEVIES, LIENS, CHARGES. The Lessee shall keep the Equipment free of levies, liens, security interests and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal) which may be levied or assessed directly or indirectly against or on account of the Equipment or any interest therein or use thereof. If the Lessee shall fail to pay such license fees, registration fees, assessments, charges or taxes, the Lessor may pay such license fees, registration fees, assessments, charges and taxes as the case may be in which event the cost thereof shall constitute additional rent payable hereunder, which shall be forthwith due and payable, and the Lessor shall be entitled to all the rights and remedies provided herein in the event of default of payment of rent.

INDEMNIFICATION OF LESSOR BY LESSEE. Lessee shall indemnify and save harmless Lessor from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever sustained or suffered by Lessor or for which Lessor may become liable, resulting from or arising out of:

(a) the purchase of the Equipment by Lessor whether or not Lessee accepts the Equipment for the purposes of this Lease or the Equipment is delivered to Lessee;

(b) Lessor's lawful exercise or performance of its rights or obligations under this Lease;

(c) any default;

(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of the Equipment including strict liability in tort or in civil responsibility;

(e) any use or operation of the Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lessor or its employees, agents or duly authorized representatives; or

(f) any impairment or pollution of or damage to the environment caused by or arising from the installation, use, operation, maintenance or lack thereof, misuse or over-use of the Equipment or due to or arising from any failure by Lessee to comply with or any act by Lessee in violation of any term, condition or restriction of any licence, permit, consent or similar document issued in respect of the Equipment or the operation thereof.

EQUIPMENT TO REMAIN PERSONAL PROPERTY. The Equipment shall at all times during the Term be and remain personal or moveable property, regardless of the manner in which it may be attached to any real estate. The Lessee shall install the Equipment in a manner which will permit its removal without material injury to the place of installation. The Lessee shall be responsible for any damage done to any real property, including improvements by the removal of the Equipment and shall indemnify and save harmless the Lessor therefrom.

DEFAULT.

18.1 The following shall be deemed to be Acts of Default by Lessee:

(a) Lessee fails to pay any Total Monthly Payment within ten (10) days of its due date;

(b) any insurance coverage required to be obtained and maintained by Lessee hereunder shall lapse, expire or be cancelled,

(c) any representation or warranty of Lessee made herein or in any instrument or document delivered to Lessor in connection herewith is false or materially incorrect or misleading;

(d) Lessee defaults in any other obligation hereunder or under any other agreement with Lessor or any affiliate of Lessor, and such , or default continues for a period of to ten (10) days after notice thereof by Lessor or such affiliate, as applicable, to Lessee (and for this purpose "affiliate" shall have the meaning attributed thereto in the Canada *Business Corporations Act*);

(e) any act of bankruptcy takes place respecting Lessee, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by Lessee or any other person, under any present or future statute or law relating to bankruptcy, insolvency, or relief from or compromise or arrangement with creditors of Lessee;

(f) Lessee ceases or threatens to cease to carry on business or makes or proposes to make any sale of its enterprise or of the whole or any substantial part of its assets in bulk or otherwise out of the normal course of business,

(g) any execution, sequestration, seizure, expropriation, restraint or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Lessee or the Equipment;

(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets, undertaking or enterprise of Lessee whether pursuant to any private instrument or agreement or by order of any court;

(i) if Lessee is a corporation, ownership of or control and direction over the property, assets, undertaking or enterprise of Lessee or the majority of its voting shares changes by amalgamation, merger, sale, transfer of shares or otherwise except pursuant to death of a share holder, or Lessee passes any resolution concerning any matter addressed in paragraph 18.1(e) or with respect to or any proceedings, voluntary or involuntarily, are commenced under any present or future law relating to amalgamation, liquidation, winding-up or dissolution; or

(j) any event or circumstance described in any of paragraphs 18.1(d) through (i) inclusive occurs with respect to any guarantor, or surety of Lessee respecting this Lease or any person who controls Lessee or any affiliate of Lessee (and for this purpose "control" and "affiliate" shall have the respective meanings attributed thereto in the Canada *Business Corporations Act*).

LESSOR'S REMEDIES ON DEFAULT. Upon any Act of Default, Lessor shall be entitled to do one or more of the following:

(a) declare this Lease to be in default (with or without terminating this Lease) whereupon all unpaid Total Monthly Payments specified above for the Term shall be accelerated and become immediately due and payable without any notice or demand whatsoever;

(b) terminate this Lease;

(c) take possession of the Equipment, without demand, notice or legal proceedings and enter on any premises of Lessee or any other person for such purpose;

(d) sell, lease or otherwise dispose of the Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lessor in its discretion determines;

| INITIALS | |
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| | X |
| LESSOR | LESSEE |

# TERMS AND CONDITIONS OF LEASE

(e) whether or not this Lease may have been terminated, demand, sue for and recover damages arising out of such default, which damages shall include, without limitation, as a genuine pre-estimate of Lessor's liquidated damages for loss of bargain and not as a penalty, the aggregate of all unpaid Total Monthly Payments for the Term, discounted to present value at the rate of 5% per annum, compounded monthly, less the aggregate of the net proceeds derived from the sale, re-leasing or other disposition of the Equipment, after deducting all costs and expenses incurred by Lessor in disposing of the Equipment, and

(f) exercise any other rights or remedies and/or take any proceedings available to Lessor at law or in equity

In lieu of selling, re-leasing or otherwise disposing of the Equipment, Lessor may retain and cause the Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds under Section 19(e) above. Proceeds of sale, re-lease or other disposition shall be deducted only when received, unless Lessor elects to take the present value of payments to be received under such sale, re-lease or other disposal, discounted at the rate of 5% per annum, compounded monthly.

ASSIGNMENT BY LESSOR. Lessor may at any time assign all or any part of its interest in the Equipment and/or this Lease without notice to or the consent of Lessee. Lessee hereby accepts any such assignments and waives notification of the assignment and the delivery of a copy of any assignment document. In the event of such assignment, the assignee shall be entitled to enforce the rights, remedies and benefits of the Lessor so assigned to the assignee and to receive all benefits which would otherwise accrued to the Lessor under this Lease.

RETURN OF EQUIPMENT UPON TERMINATION. Upon the termination of this Lease for any reason, the Lessee shall at its cost return the Equipment to the Lessor at a place in Canada designated by Lessor, in as good condition, order, repair and appearance as when originally delivered to Lessee, ordinary wear and tear only excepted, and if the Lessee fails to do so within ten (10) days, the Lessor shall have the right to enter upon the premises where the Equipment may be and take possession of and remove it at the Lessee's expense, all without legal process and without liability therefor.

WAIVER BY LESSOR. No covenant or condition of this Lease can be waived except by the written consent of the Lessor, and forbearance or indulgence by the Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the Lessee to which the same may apply, and until complete performance by the Lessee of said covenant or condition, the Lessor shall be entitled to invoke any remedy available to the Lessor under this Lease or by law, despite said forbearance or indulgence.

COLLECTION CHARGES. Should the Lessee fail to pay when due any sum required to be paid by the Lessee to the Lessor under this Lease, the Lessee agrees to pay to the Lessor interest on the amount in default from the due date thereof until paid at the rate of twenty-four per cent (24%) per annum.

PREAUTHORIZED PAYMENT. Lessee agrees that it will authorize Lessor to draw the Total Monthly Payments from the Lessee's bank account under the Lessor's pre-authorized payment plan. Payment by other means must receive the Lessor's prior approval and will nevertheless be subject to a service fee at Lessor's sole discretion.

TIME OF THE ESSENCE. Time is of the essence of this Lease and each and all of its provisions.

RENEWAL OF LEASE OR OPTION TO PURCHASE.

26.1 If, at the expiry of the Term the Lessee fails to return the Equipment to the Lessor or has not exercised the option to purchase the Equipment upon expiry of the Term as herein provided, then this Lease shall continue on a month to month basis at a monthly rent equal to the Total Monthly Lease Payment. All other terms and conditions contained herein shall continue to apply to the month to month tenancy hereby created.

26.2 The Lessee shall have the option to purchase the Equipment at the end of the Term for the sum of $100.00, unless stated otherwise on page one (1) of this agreement, providing all of the Total Monthly Lease Payments required under this Lease, have been punctually paid. Lessee must notify Lessor in writing not more than 30 days or less than 10 days prior to expiry of the Term, if Lessee desires to purchase the Equipment. Upon payment of the purchase price for the Equipment, the Lessor will deliver title to the Equipment to the Lessee at the end of the Term on a "as is, where is" basis without any condition, representation or warranty by the Lessor of any kind whatsoever, express or implied, including without limiting the generality of the foregoing, the merchantability, condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever, and all warranties are to the extent permitted by law excluded. The option to purchase cannot be assigned by Lessee and any assignment or purported assignment thereof shall be null and void and shall be deemed an Act of Default, as defined in this Lease.

BINDING UPON HEIRS, EXECUTORS, SUCCESSORS AND ASSIGNS. This Lease shall enure to the benefit of and be binding upon the Lessor and it's successors and assigns and the Lessee and it's permitted assigns and the heirs, executors and administrators of the Lessee if an individual, provided that nothing in this Clause contained shall impair or negate any of the provisions herein before set forth prohibiting transfer or subletting of the Equipment by the Lessee, or assignment of this Lease by the Lessee without the written consent of the Lessor.

HEADINGS The insertion of headings in this Lease is for convenience of reference only and shall not affect the interpretation thereof

INTERPRETATION. It is hereby agreed by and between the parties hereto that whenever the context of this Lease so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and if more than one person or corporation executes this Lease as Lessee, their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Lease to Lessee shall include reference to any one or more or all of such persons and corporations and the acts or omissions of any such persons or corporations shall bind all of them.

LEGAL EXPENSES. If this Lease is placed in the hands of a solicitor for enforcement, the Lessee agrees to pay all costs, charges and expenses incurred by the Lessor in connection with enforcing this Lease, including without limitation, legal fees on a solicitor and his own client basis.

GOVERNING LAW. This Lease shall be interpreted and enforced in accordance with the laws of the Province wherein the Equipment is to be located according to the terms hereof

CREDIT INVESTIGATION. Lessee hereby consents and authorizes Lessor and it's agents and representatives at any time:

(a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to the Lessee ("Information"), as Lessor deems necessary to process, service and enforce this Lease and any other existing or potential transactions, or as required or otherwise permitted by law; and

(b) to respond to inquiries from, and exchange any information with third parties concerning Lessee's credit rating, financial capacity and payment history; and

(c) to provide information to persons to whom Lessor considers assigning or otherwise disposing of rights or obligations under this Lease; and

(d) to provide to any person copies of this Lease. This consent is in addition to and does not replace any consent previously given.

STATEMENTS. Annually and within ninety (90) days of the end of each financial year of the Lessee, Lessee shall deliver to Lessor at Lessor's request a copy of the Lessee's financial statement as at the end of each financial year of Lessee prepared using Generally Accepted Accounting Principles.

NOTICES. Any notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing, and shall be delivered personally or mailed by registered mail, postage prepaid, or faxed by electronic facsimile to the parties at their respective addresses or facsimile numbers set forth herein or at any such other address or facsimile number as may be given by one party to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or faxed, shall be deemed to have been given on the day of delivery or transmission, if a business day, or if not a business day, on the business day next following the day of delivery or transmission; provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered or transmitted by fax.

CLERICAL ERRORS. Lessor is authorized by Lessee to correct clerical or inadvertent errors appearing in this Lease.

STATUTORY WAIVER AND ACKNOWLEDGEMENT. Lessee acknowledges receipt of a true copy of this Lease and waives its rights to receive any copy of any financing statement or financing change statement registered by Lessor and of any related verification statement. Lessee waives to the full extent allowed by law, the provisions of the *Limitation of Civil Rights Act* (Saskatchewan), the *Distress Act* (Manitoba), Sections 19 through 24 of the *Sale of Goods on Condition Act* (British Columbia), Sections 47, 49 and 50 of the *Law of Property Act* (Alberta), and the sale of goods legislation of any applicable jurisdiction all as amended or replaced from time to time.

CURRENCY. Unless otherwise stated in this Lease, all sums of money payable hereunder shall be paid in Canadian Dollars.

SEVERABILITY. Any term, condition or provision of this Lease which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

SECURITY INTEREST. The security interest granted by the Lessee to the Lessor by this Lease includes the Equipment together with all accessories installed in or affixed to or attached or appertaining to the Equipment and all personal property in any form or fixtures derived directly or indirectly from any dealing therewith and includes payment representing indemnity or compensation for loss or damage thereof or proceeds therefrom.

FINANCING STATEMENTS.

41.1 Lessor is hereby authorized to file one or more financing statements in respect of this Lease. Lessee hereby irrevocably appoints Lessor as the true and lawful attorney-in-fact of Lessee, coupled with an interest, with full power in Lessee's name, place and stead to execute financing statements on Lessee's behalf and to do any and all other acts on Lessee's behalf necessary or helpful to perfect Lessor's security interest in the Equipment pursuant to any applicable personal property security legislation and pursuant to any other applicable provincial or federal law.

41.2 Any security interest granted herein shall attach to any proceeds and Lessee and Lessor agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Equipment and that such security interests shall attach to any Equipment leased by Lessee from Lessor after the date hereof. Lessor may at any time, with or without exercising any of the rights or remedies available to it and without prior notice or demand to Lessee, appropriate and apply toward payment of any of Lessee's obligations to Lessor any and all balances, sums, property, credits, deposits, accounts, reserves, collections, monies, drafts, notes or cheques coming into Lessor's possession and belonging or owing to Lessee and for such purposes, endorse Lessee's name on any such instrument made payable to Lessor for deposit, negotiation, discount or collection.

GENERAL SECURITY INTEREST. To further secure performance of the obligations of the Lessee under this Lease, Lessee grants to Lessor a general security interest, as defined in the Personal Property Security Act (Alberta) in all present and after acquired personal property of the Lessee.

ACCEPTANCE. Lessee understands and accepts the terms and conditions of this Lease and all of the obligations of the Lessee herein.

LANGUAGE. The parties hereto have expressly required that this Lease and all documents, agreements and notices relating thereto be drafted in the English language.

| INITIALS | |
|---|---|
| | X |
| LESSOR | LESSEE |

# GENERAL SECURITY AGREEMENT

**To:**

WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER WESLEASE INCOME GROWTH FUND GP LTD.
(hereinafter referred to as the "Secured Party")

**From:**

1919209 ALBERTA LTD AND PAUL MCCRACKEN, ACTING JOINTLY AND SEVERALLY
(hereinafter referred to as the "Debtor")

**1. Definitions**

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Alberta, as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefore and amendments thereto is herein defined as the "PPSA".

**2. Security Interest**

As continuing security for the payment and performance of all debts, liabilities and obligations of the Debtor to the Secured Party howsoever arising (present and future, absolute and contingent) (the "Indebtedness") the Debtor grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants a Security Interest to and in favor of the Secured Party in the undertaking of the Debtor and in all personal property referred to in schedule "A" and in all Proceeds and renewals thereof, accessions thereto and substitutions therefor (the "Collateral"). The Debtor warrants and acknowledges to and in favor of the Secured Party that:

a) the parties intend the Security Interest hereby constituted in its existing property to attach upon execution and delivery hereof;

b) the parties intend the Security Interest created in after-acquired property of the Debtor to attach at the same time as it acquired rights in the said after-acquired property; and

c) value has been given

**3. Continuous Interest**

The mortgage, pledge, charge and Security Interest hereby created shall be a continuous charge notwithstanding the Indebtedness may be fluctuating and even may from time to time, and at any time, be reduced to a nil balance and notwithstanding monies advanced may be repaid and further advanced made to or to the order of the Debtor or in respect of which the Debtor is liable.

**4. Authorized Dealing With Collateral**

Until Default, or until the Secured Party provides written notice to the contrary to the Debtor, the Debtor may deal with the collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may not, and agrees that it will not, without prior written consent of the Secured Party:

a) sell or dispose of any of the Collateral otherwise than for fair market value in the ordinary course of the Debtor's business as it is presently conducted and for the purpose of carrying on that business, or

b) create or incur any Security Interest, lien, assessment, or encumbrance upon any of the Collateral which ranks or purports to rank, or is capable of being enforced in priority to or equally with the Security Interest granted under this Agreement, except Purchase Money Security Interests and Leases uncured in the ordinary course of the Debtor's business.

## 5. Representations and Warranties of the Debtor

The Debtor hereby represents and warrants with the Secured Party that:

a) the collateral is owned by the Debtor free of all Security Interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances");

b) this Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditor's rights and by rules of equity governing enforceability by specific performance;

c) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there ant statute, rule or regulation, or ant judgment, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Agreement;

d) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or operations or impair the Debtor's ability to perform hereunder.

## 6. Covenants of the Debtor

The Debtor hereby covenants with the Secured Party that:

a) the Debtor owns and will maintain the Collateral free of Encumbrances, or those hereafter approved in writing by the Secured Party prior to their creation or assumption, and will defend title to the Collateral fir the benefit of the Secured Party against the claims and demands of all persons;

b) the Debtor will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired, and will permit the Secured Party or such persons as the Secured Party may from time to time appoint to enter into any premises where the Collateral may be kept to view its condition;

c) to pay the Secured Party the Indebtedness including, without limitation, all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitor's and auditor's costs and other legal expenses and Receiver remuneration), in operating the Debtor's Accounts, in preparing or enforcing the General Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing and collecting the Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby;

d) that if by reason of location of the Collateral or otherwise the creation, validity or perfection of the Security Interest provided for herein is governed by law of a jurisdiction other than Alberta, then the Debtor shall take such steps and execute and deliver such papers as the Secured Party may from time to time request to comply with the Personal Property Security Act and other laws of another province or provinces, or the laws of Canada.

## 7. Default

The happening of any of the following shall constitute Default under this Agreement:

a) The Debtor fails to pay, when due, the Indebtedness or any part thereof or to perform when due any other obligation to the Secured Party;

b) The Debtor fails when due to perform any obligation to any other person, and such failure is not cured within 30 days of the date the Debtor first knew or should have known of such failure;

c) Any representation or warranty made in this Agreement or any other document or report furnished to the Secured Party in respect of the Debtor or the Collateral proves to have been or to have become false or materially misleading;

d) The Debtor ceases or demonstrates an intention to cease to carry on business or disposes or purports to dispose of all or a substantial part of its assets;

e) An order is made or a resolution is passed for winding up the Debtor or a petition is filed for the winding up, dissolution, liquidation or amalgamation of the Debtor;

f) The Debtor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Debtor, or a Receiver of the Debtor, or any part of its property is appointed, or the Debtor commits or demonstrates an intention to commit any act of bankruptcy, or the Debtor otherwise becomes subject to the provisions of the Bankruptcy Act or any other Act for the benefits of its creditors;

g) Any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Debtor, or a outside Secured Party takes possession of any of the Debtor's property;

h) Any material adverse change occurs in the financial position of the Debtor;

i) The Secured Party considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

## 8. <u>Remedies</u>

**On Default:**

a) The Secured Party may seize or otherwise take possession of the Collateral or any part thereof and sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;

b) The Secured party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and dispose of the Collateral by any method permitted by law, including disposal by lease or deferred payment;

c) Subject to the Act, all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied on the account of the Indebtedness in such manner as the Secured Party deems appropriate or at the option of the Secured Party, may he held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder and any surplus shall be accounted for as required by law;

d) The Debtor acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the Collateral shall not in any way restrict, hinder or estop the Secured Party from suing for and obtaining judgment against the Debtor for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the Collateral, including all legal fees and disbursements as between a solicitor and his own client and any and all other reasonable professional fees including, without limitation, Receiver and accounting fees and disbursements;

e) The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain possession or payment of the Collateral or any part thereof and shall not be bound to institute proceeding for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect to the same;

f) The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Collateral;

g) The Secured Party may appoint any person or persons to be a Receiver of any Collateral. And may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a Receiver-Manager;

h) Any Receiver will have the power:

i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;

ii) to carry on or concur in carrying on the business of the Debtor;

iii) to sell and dispose of any or all of the Collateral at public auction, by public or private tender or by private sale at such time and on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price, and as to method of payment whether by way of deferred payment or otherwise, as the Receiver shall in its sole discretion determine and to deliver to the purchaser or purchasers of the Collateral good and sufficient deeds or title documents for the same, the Receiver being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale shall be absolute and conclusive as against the Debtor or any person claiming by, from, through or under the Debtor and the Debtor's assigns;

iv) to make any arrangement or compromise which he may think expedient in the interest of the Secured Party

v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;

vi) to hold as additional security any increase or profits resulting from the Collateral;

vii) to exercise all rights that the Secured Party have under this Agreement or otherwise at law.

i) The Debtor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect sale or lease of any Collateral and any deed, lease, agreement or other document signed by the Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the debtor;

j) Any Receiver will be deemed to be the agent of the Debtor, and the Debtor will solely be responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any receiver;

k) Neither the Secured Party nor the Sheriff is required to keep Collateral identifiable;

l) The Secured Party may use the Collateral in any manner as it in its sole discretion deems advisable.

## 9. Securities

If the Collateral at any time includes Securities, the Debtor irrevocably authorizes and appoints the Secured Party as its attorney and agent to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof; provided that, until Default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

## 10. Acceleration

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness due and payable by the Debtor which is not by its terms payable on demand, to be immediately due and payable, and the Secured Party shall be entitled to proceed in accordance with the terms of paragraph 8 hereof.

## 11. Notice

Any notice or demand required or permitted to be made or given by the Secured Party to the Debtor may be validly served by leaving the same or by mailing the same by prepaid registered mail addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of the Secured Party, and in the case of mailing such notice or demand shall be deemed to have been received by the Debtor in the third business day following the date of mailing.

**12. Costs and Expenses**

The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality if the forgoing, legal fees as between a solicitor and client on a full indemnity basis), in enforcing this Agreement and taking custody of the Collateral and all such costs, charges and expenses shall be a first charge on the proceeds of realization, collection, or disposition of Collateral and shall be secured hereby.

**13. Miscellaneous**

a) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party and all such other securities shall remain in full force and effect.

b) The Debtor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, or as may be required by the Secured Party from time to time.

c) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

d) If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any deficiency remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

**14. Copy of Agreement**

The Debtor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it.

IN WITNESS WHEREOF the Debtor has executed this Agreement this _________ day of October, 2015.

_________________________
Witness

By: _________________________
Paul McCracken
*Authorized Signature*

By: _________________________
Paul McCracken
*Owner*

**SCHEDULE "A"**

**Description of Collateral**

All of the Debtor's present and after acquired personal property being Goods, Documents of Title, Securities, Chattel Paper, Instruments, Money and Intangibles, including, without limitation, the following:

a) All present and after-acquired Equipment, and any Proceeds therefor, including, without limiting the generality of the foregoing, all fixtures, plant machinery, tools and furniture nor hereafter owned or acquired,

b) All present and after-acquired Inventory and any Proceeds therefor, including, without limiting the generality of the foregoing, all raw materials, Goods in process, finished Goods, and packaging materials and Goods acquired or held for sale or furnished or to be furnished under contracts of rental or service; and

c) All present and after-acquired Intangibles and Proceeds therefor, including, without limiting the generality of the foregoing, all debts, accounts, chooses in action, claims, demands and monies now due or owing or accruing due or which may hereafter become due or owing to the Debtor, including (without limiting the foregoing) claims against the Crown in the Right of Canada or of any province, monies which may become payable under any policy or insurance in respect of any loss by fire or other cause which has been or may be incurred by the Debtor (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof.

d) Description of Equipment includes:
42 Room Jack & Jill Framless Dorm Simonette #2
8 Dorms -2015 S/N 201504WB001, 201504WB002,
201504WB003, 201504WB004, 201504WB005, 201504WB006
201504WB007, 201504WB008

I/We hereby acknowledge that the leased equipment referred to herein is not for resale.

**LESSEE INITIALS** ________

weslease
INCOME GROWTH FUND

Weslease Income Growth Fund Limited Partnership 11464 - 149th Street Edmonton, AB T5M 1W7
Phone: (780) 429-1900 www.weslease.com Fax: (780) 451-1200

To: WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP

## ACCEPTANCE CERTIFICATE

We hereby acknowledge complete and satisfactory Delivery and Installation of the equipment described in the agreement made between Weslease Income Growth Fund Limited Partner as Lessor and the undersigned, as Lessee. We hereby represent and warrant to you, that the said lease agreement is unconditionally accepted by us and that the subject equipment or machinery was personally selected by us from the Dealer/Vendor. It is of the type and nature specified by us and we waive any claim or offset the Lessor. We recognize the right of the Lessor to enforce the said Lease Agreement in accordance with its conditions, free from any defenses, offsets or counter claims. We hereby acknowledge and agree that any claims, warranties guarantees, or representations made by the Dealer/Vendor to us by and between ourselves and the Dealer/Vendor, and that any failure of the leased equipment to perform satisfactorily for any reason, or any insuffiency in the service, warranty or representation by the Dealer/Vendor shall not alter our liability or performance in the prompt and timely payment of each and every lease payment when due. We acknowledge and agree that said lease agreement constitutes the only agreement and the whole agreement between ourselves and the Lessor. We authorize the Lessor to provide payment to the Dealer/Vendor(s) in the amount(s) as stated in the Dealer/Vendor(s) invoice by the Lessor and acknowledge that the said Lease Agreement shall commence upon release of payment to the Dealer/Vendor(s) by the Lessor.

LESSEE INITIALS ________

## WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
## AUTOMATIC PAYMENT PLAN

Weslease Income Growth Fund LP is hereby requested and authorized to draw payments monthly under its Automatic Payment Plan, such payments to be charged against the account of the undersigned as shown within and to cover the lease payment and the buy out amount in accordance with the terms and conditions of the Lease agreement(s) between the undersigned Lessee and Weslease Income Growth Fund LP. **Any payments that are returned NSF will be assessed a $35.00 NSF fee and the payment will be auto-debited from the clients account on the 25th of the respective month.**

Executed in the city of ________________ in the province of ____________ this ________ day of October, 2015

**LESSEE NAME**: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally

**LEASE NUMBER**: 1510155C

LESSEE: ______________________________
Paul McCracken
*Authorized Signature*

**SELECT METHOD FOR MONTHLY PAYMENTS**

- ☐ Automatic Bank Withdrawal (provide Void cheque)
- ☐ Direct Deposit
- ☐ Cheque
- ☐ Visa/ MasterCard (complete the authorization form)

weslease
INCOME GROWTH FUND

Weslease Income Growth Fund Limited Partnership | 11464 - 149th Street Edmonton, AB | T5M 1W7
Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200

# CREDIT CARD AUTHORIZATION FORM

I/ We ______________________________________________, authorize Weslease Income Growth Fund LP to charge the following credit card every month for subsequent payments for Lease No. __________________

**CREDIT CARD TYPE:** ☐ VISA ☐ MASTERCARD ☐ AMERICAN EXPRESS

**CREDIT CARD #:** ________________________________________

**CARD CVV #** (last 3 numbers in the back of the card): ____________________

**EXPIRATION DATE:** ____________________

____________________________
*SIGNATURE OF CARDHOLDER*

____________________________
Date

weslease
INCOME GROWTH FUND


| | | |
|---|---|---|
| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


# INSURANCE INFORMATION

**LEASE NUMBER: 1510155C**

**Lessee Name: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally**

Per section 12 of the Lease Financing Agreement, the client is required to provide proof of insurance with Weslease Income Growth Fund Limited Partnership as first loss payable. Please provide the following:

✓ NAME OF INSURANCE COMPANY, CITY & PROVINCE:

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✓ NAME OF CONTACT AT INSURANCE COMPANY:

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✓ PHONE AND/OR FAX NUMBER OF INSURANCE COMPANY:

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| |

**CLIENT KEEPS INSURANCE INFORMATION FORM**
**COMPLETED FORM MUST BE RETURNED BY: FAX TO 780-451-1200, EMAIL TO INFO@WESLEASE.COM OR SEND BACK WITH EXECUTED LEASE DOCUMENTS**

weslease
INCOME GROWTH FUND


| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
|---|---|---|
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


## NOTIFICATION – APPROVAL OF LEASE

**LESSEE:** 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally
**FROM:** Erin Sieger
**DATE:** **October 20, 2015**
**NUMBER OF PAGES:** One
**LEASE NUMBER:** **15110155**

**LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING**
(APPROVAL IS VALID FOR 30 DAYS)

**DESCRIPTION OF EQUIPMENT:** **1-** 42 Room Jack & Jill Framless Dorm Berland
8 Dorms -2015 S/N 201504WB001, 201504WB002,
201504WB003, 201504WB004, 201504WB005, 201504WB006
201504WB007, 201504WB008

| | |
|---|---|
| **Purchase Price Net:** | **$ 1,075,000.00** |
| **Term of Lease 1510155B:** | **60 months** |
| **Monthly Payment:** | **$ 22,497.55** |
| **GST:** | **$ 1124.87** |
| **PST:** | **$ 0.00** |
| **Gross Monthly Payment:** | **$ 23,622.42** |

| | |
|---|---|
| **Lease Advance Payment (25% down):** | **$ 282,187.50** |
| **Registration Fee:** | **$ 350.00** |
| **Total First Payment (Due When Lease Signed):** | **$ 282,537.50** |

**Lease Payment Schedule:**

Initial payment of $ 282,537.50 due upon signing the lease & automatic withdrawal of monthly payments of $ 23,622.42 each month beginning November 2015. **Please select the preferred date for your automated lease monthly payments:**

☐ **15th** ☐ **End of the Month** ***Payments will be auto-debited from your account every month on this day**

**RESIDUAL** (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

**Approval Conditions:**

- ✓ Approval Notification must be initialed
- ✓ All lease documents must be signed accordingly
- ✓ Signed Promissory Note
- ✓ GSA must be signed
- ✓ Any payments that are returned NSF will be assessed a **$35.00 NSF** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- ✓ All rescheduled payments need a minimum of **72 hours** notice before the next scheduled payment is to be auto debited.
- ✓ A list of the client's contracts (work locations) must be provided
- ✓ Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund Inc. as first loss payable

LESSEE INITIALS: ______

# LEASE AGREEMENT

Lease No.

**1510155**

WESLEASE Income Growth Fund Limited Partnership (the "Lessor")

11464–149th Street NW, Edmonton, AB, T5M 1W7, Phone: (780) 429-1900, Toll-Free: 1(877) 551-1432, Fax: (780) 451-1200

GST No. of the Lessor: 809006034

| | | | | |
|---|---|---|---|---|
| Legal Name of Lessee (the "Lessee")<br>**1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally** | | | | Contact Person<br>**Paul McCracken** |
| Address<br>**2900 – 10180 101 Street** | | | | Title of Contact<br>**Owner** |
| City & Province<br>**Edmonton, Alberta** | | | Postal Code<br>**T5J 3V5** | Cell Phone<br>**780-915-2469** |
| Bank Name and Address | | | Account No. | Home Phone |
| Sales Representative Name | No. | Terr. | Vendor/ Branch | Weslease Only | E-Mail |
| Location of Equipment if different than Lessee's address shown above | | | | Lessee's Drivers Licence No. |

| QTY | MAKE | MODEL | DESCRIPTION OF EQUIPMENT | SERIAL NUMBER |
|---|---|---|---|---|
| 8 | | 2015 | Jack & Jill Framless Dorms – Berland | 201504WB001,201504WB002,201504WB003,201504WB004,201504WB005,201504WB006,201504WB07,201504WB008. |
| | | | | |
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|---|---|---|---|---|
| Monthly Lease Payment: | $ 22,497.55 | Total Number of Monthly Lease Payments: | 60 | Total Lease Value: $1,799,804.40 + Taxes |
| GST: | $ 1,124.87 | Term of Lease: | 60 Months | **Lease Payment Schedule:** |
| Provincial Sales Tax: | $ 0.00 | **Amount Due When Lease Signed:** | | Initial payment of $282,537.50 due at signing & automatic withdrawal of monthly payments for the term of the lease of $22,497.55+ Taxes on your selected date (15th or Month End) each month beginning, November, 2015. |
| **Total Monthly Lease Payment:** | $ 23,622.42 | 25% down payment (tax included): | $ 282,187.50 | |
| Lease Amount: $ 1,075,000.00 | | Plus registration fee: | $ 333.33 | |
| Lease Commences on Date signed by Lessee Unless otherwise stated. | | GST: | $ 16.67 | |
| | | PST: | $ 0.00 | ***** Final payment to include end of lease equipment purchase price of $100.00 + taxes** |
| | | **Total Initial Payment:** | **$ 282,537.50** | |

IN WITNESS WHEREOF the Lessor and Lessee have executed this Lease in the city of _____________, in the Province of _________, this _____ of Oct, 2015.

*Lessor:*

WESLEASE INCOME GROWTH FUND LIMTED PARTNERSHIP by its GENERAL PARTNER WESLEASE INCOME GROWTH FUND GP LTD.

_______________________________
Date of Acceptance

By: _______________________________
Signature of Authorized Officer c/s
Erin Sieger

*Lessee: 1919209 Alberta Ltd and Paul McCracken., Acting Jointly and Severally*

By: ____________________
Paul McCracken
*Owner*

By: ____________________
Paul McCracken
*Authorized Signature*

### TERMS AND CONDITIONS OF LEASE

The terms, conditions and covenants set forth on pages 1, 2 and 3 of this Weslease Form 2014-01 are incorporated herein and form a part of this Lease and are agreed to by Lessor and Lessee.

LEASE OF EQUIPMENT. Lessee hereby leases from Lessor and Lessor hereby leases to Lessee the Equipment described above (hereinafter called the "Equipment") for the Term of Lease specified above (the "Term") subject to payment by the Lessee to the Lessor of the Number Of Total Monthly Lease Payments specified above, and upon the terms and conditions contained in this Lease. Lessee acknowledges that the Equipment has been acquired by Lessor at the request of and in accordance with the instructions of the Lessee.

ACCEPTANCE. Upon delivery of the Equipment to the Lessee, Lessee shall inspect, test and accept the Equipment and execute Lessor's usual form of Acceptance Certificate acknowledging that the Equipment is as ordered, is in good operating condition and repair and is fully satisfactory to the Lessee. Acceptance shall not be unreasonably withheld or delayed.

TERM. The Term of this Lease commences on the date on which the Lease is signed by the Lessee. (hereinafter referred to as the "Lease Commencement Date").

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| LESSOR | LESSEE |

TOTAL MONTHLY LEASE PAYMENTS. Lessee agrees to pay to Lessor at the address of Lessor stated above, or such other place notified by Lessor to Lessee, the Total Monthly Lease Payment as specified above multiplied by the Number of Total Monthly Lease Payments as specified above. Unless otherwise stated, the first Total Monthly Lease Payment is due when Lessee signs this Lease; subsequent Total Monthly Lease Payments shall be made on the 15th day of each successive month thereafter throughout the Term. All payments required to be made by the Lessee under this Lease are payable without abatement, reduction, or set-off. This Lease shall not terminate or the respective obligations of Lessor and Lessee be otherwise affected by

## TERMS AND CONDITIONS OF LEASE

reason of defect in or damage to, or loss of possession of, or loss of use of, or destruction of the Equipment from whatever cause; the rental payments and all taxes and other charges payable by Lessee hereunder shall continue to be paid in all events in the manner and at the times specified unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

NO WARRANTIES BY LESSOR. Lessee acknowledges that neither Lessor nor any of its employees, agents or representatives has made and does not now make, any representation or warranty whatsoever, expressed or implied, with respect to the Equipment or any intellectual or industrial property rights therein or its merchantability or its condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever and all warranties are to the extent permitted by law excluded. Lessee shall unconditionally, and without abatement, reduction or set-off, pay the number of Total Monthly Payments even if the Equipment does not operate as intended by Lessee or at all or as represented by the manufacturer or the supplier, or, the Equipment operates or fails to operate in a manner that could give rise to a fundamental breach of contract, or is unacceptable for any other reason whatsoever. Lessor shall not be liable to Lessee for any loss, cost, expense, or damage of any kind or nature, or caused directly or indirectly by the Equipment or the use, ownership or maintenance thereof, and Lessor shall have no liability for any direct, indirect, punitive, exemplary, special or consequential damages or loss of profits, actual or anticipated, or for any damages based on strict or absolute tort or civil liability or the Lessor's negligence. Lessor hereby assigns to Lessee, to the extent assignable and without recourse to Lessor, all warranties of seller or manufacturer and rights to all software and other intellectual and industrial property licenses accompanying the Equipment. If the Equipment is returned to or repossessed by Lessor, all such warranties or rights shall be automatically reassigned to Lessor without further act or deed.

NON-CANCELLABLE LEASE. This Lease cannot be cancelled or terminated except as expressly provided herein and is not a conditional sales contract.

ENTIRE AGREEMENT. This Lease (Weslease Form 2014-01) constitutes the entire agreement between Lessor and Lessee respecting the Equipment. No one is authorized to waive, add to or alter any term or condition of this Lease except a duly authorized officer of the Lessor. Any alteration, amendment or addition to this Lease must be in writing and duly executed by the Lessor and Lessee.

LOCATION, USE AND RISK. The Equipment shall be at the risk of the Lessee as and from the Lease Commencement Date and shall be located and used at the place designated herein and not elsewhere without the prior written consent of the Lessor. Lessee shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial or professional purposes and shall not use the Equipment for any personal, family or household purpose and shall not part with possession or control of the Equipment or permit its use by any person other than the Lessee or employees of Lessee who are qualified and competent to operate same.

TITLE, OWNERSHIP AND SECURITY INTEREST IN EQUIPMENT. Title to, ownership of, and all property in the Equipment shall at all times be and remain exclusively in Lessor. Lessee's only rights in the Equipment are to quiet enjoyment and use on the terms and conditions of this Lease while not in default. Lessee shall at Lessor's request place such insignia, plates or other identification on the Equipment showing Lessor's title thereto. Lessee hereby pledges to and in favor of Lessor in an amount equal to One Hundred Twenty Per Cent (120%) of all Total Monthly Payments to be paid hereunder, all insurance claims and proceeds therefrom to secure it's obligations under this Lease.

MAINTENANCE, USE, OPERATION.

10.1 Lessee shall at its own expense:

(a) maintain the Equipment in good operating condition, repair and appearance, ordinary wear and tear only excepted;
(b) comply with all recommendations or requirements of the manufacturer or supplier regarding the Equipment so as to preserve all warranties; and
(c) when requested by Lessor, enter into a maintenance agreement for the Equipment for the Term or balance thereof then remaining with the supplier or a competent service and maintenance person approved by Lessor.

10.2 Lessee shall not, without Lessor's prior written consent, make any alterations, additions, accessions or attachments to the Equipment. Such consent will only be granted if such changes:

(a) do not materially decrease the value of the Equipment or limit, interfere with, or frustrate its intended use;
(b) do not prejudice or adversely affect any warranties; and
(c) are free from, and do not subject the Equipment to, any lien.

10.3 All replacement parts and components, alterations, additions, accessions and attachments to the Equipment shall be deemed hereby transferred and assigned to Lessor and become the sole property of Lessor and shall be subject to this Lease.

INSPECTION. Any representative of Lessor shall have the right to inspect the Equipment and all of Lessee's books, maintenance and other records and other data maintained by Lessee with respect thereto at all reasonable times upon notice to Lessee.

INSURANCE. Lessee shall obtain and maintain for and during the Term and for so long as any sum remains payable hereunder, at its own expense, comprehensive all risks insurance against loss or damage to the Equipment, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor. The amount of insurance on the Equipment shall not be less than the greater of the full replacement value of the Equipment or the aggregate amount of the Total Monthly Payments then remaining unpaid under this Lease. Each insurance policy will name Lessee and Lessor as insured, will name Lessor as first loss payee thereunder, and waive the insurer's right of subrogation against the Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however that Lessor shall be under no duty to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. Lessee further agrees to give Lessor prompt notice of any damage to or loss of the Equipment, or any part thereof. Lessee will at its expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so, at Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of the Equipment, provided the Lessee is not in default hereunder or the Lessor may elect to have all proceeds of loss payable only to itself. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided.

INTEREST. The annual interest rate is 22.5%

NO SUBLEASE OR ASSIGNMENT OF LEASE BY LESSEE. The Lessee shall not transfer, deliver up possession of or sublet the Equipment and the Lease hereby granted shall not be assignable by the Lessee without the prior written consent of the Lessor, which consent may be arbitrarily withheld. Nothing contained herein shall prevent the Lessor from assigning, pledging, mortgaging, transferring or otherwise disposing either in whole or in part, of the Lessor's rights hereunder and any such consent shall not release or diminish the obligations of the Lessee under this Lease.

COMPLIANCE BY LESSEE WITH ALL LAWS, ORDINANCES. The Lessee shall comply with and conform to all laws, ordinances and regulations present or future, in any way relating to the ownership, possession, use or maintenance of the Equipment throughout the Term, or the ownership thereof by Lessor.

EQUIPMENT TO BE KEPT FREE OF LEVIES, LIENS, CHARGES. The Lessee shall keep the Equipment free of levies, liens, security interests and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal) which may be levied or assessed directly or indirectly against or on account of the Equipment or any interest therein or use thereof. If the Lessee shall fail to pay such license fees, registration fees, assessments, charges or taxes, the Lessor may pay such license fees, registration fees, assessments, charges and taxes as the case may be in which event the cost thereof shall constitute additional rent payable hereunder, which shall be forthwith due and payable, and the Lessor shall be entitled to all the rights and remedies provided herein in the event of default of payment of rent.

INDEMNIFICATION OF LESSOR BY LESSEE. Lessee shall indemnify and save harmless Lessor from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever sustained or suffered by Lessor or for which Lessor may become liable, resulting from or arising out of:

(a) the purchase of the Equipment by Lessor whether or not Lessee accepts the Equipment for the purposes of this Lease or the Equipment is delivered to Lessee;
(b) Lessor's lawful exercise or performance of its rights or obligations under this Lease;
(c) any default;
(d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of the Equipment including strict liability in tort or in civil responsibility;
(e) any use or operation of the Equipment which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or wilful misconduct of Lessor or its employees, agents or duly authorized representatives; or
(f) any impairment or pollution of or damage to the environment caused by or arising from the installation, use, operation, maintenance or lack thereof, misuse or over-use of the Equipment or due to or arising from any failure by Lessee to comply with or any act by Lessee in violation of any term, condition or restriction of any licence, permit, consent or similar document issued in respect of the Equipment or the operation thereof.

EQUIPMENT TO REMAIN PERSONAL PROPERTY. The Equipment shall at all times during the Term be and remain personal or moveable property, regardless of the manner in which it may be attached to any real estate. The Lessee shall install the Equipment in a manner which will permit its removal without material injury to the place of installation. The Lessee shall be responsible for any damage done to any real property, including improvements by the removal of the Equipment and shall indemnify and save harmless the Lessor therefrom.

DEFAULT.

18.1 The following shall be deemed to be Acts of Default by Lessee:

(a) Lessee fails to pay any Total Monthly Payment within ten (10) days of its due date;
(b) any insurance coverage required to be obtained and maintained by Lessee hereunder shall lapse, expire or be cancelled;
(c) any representation or warranty of Lessee made herein or in any instrument or document delivered to Lessor in connection herewith is false or materially incorrect or misleading;
(d) Lessee defaults in any other obligation hereunder or under any other agreement with Lessor or any affiliate of Lessor, and such , or default continues for a period of to ten (10) days after notice thereof by Lessor or such affiliate, as applicable, to Lessee (and for this purpose "affiliate" shall have the meaning attributed thereto in the Canada *Business Corporations Act*);
(e) any act of bankruptcy takes place respecting Lessee, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by Lessee or any other person, under any present or future statute or law relating to bankruptcy, insolvency, or relief from or compromise or arrangement with creditors of Lessee;
(f) Lessee ceases or threatens to cease to carry on business or makes or proposes to make any sale of its enterprise or of the whole or any substantial part of its assets in bulk or otherwise out of the normal course of business.
(g) any execution, sequestration, seizure, expropriation, restraint or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of Lessee or the Equipment;
(h) any trustee, receiver, interim receiver, administrator, manager or similar official is appointed with respect to all or any part of the property, assets, undertaking or enterprise of Lessee whether pursuant to any private instrument or agreement or by order of any court,
(i) if Lessee is a corporation, ownership of or control and direction over the property, assets, undertaking or enterprise of Lessee or the majority of its voting shares changes by amalgamation, merger, sale, transfer of shares or otherwise except pursuant to death of a share holder, or Lessee passes any resolution concerning any matter addressed in paragraph 18.1(e) or with respect to or any proceedings, voluntary or involuntarily, are commenced under any present or future law relating to amalgamation, liquidation, winding-up or dissolution; or
(j) any event or circumstance described in any of paragraphs 18.1(d) through (i) inclusive occurs with respect to any guarantor, or surety of Lessee respecting this Lease or any person who controls Lessee or any affiliate of Lessee (and for this purpose "control" and "affiliate" shall have the respective meanings attributed thereto in the Canada *Business Corporations Act*).

LESSOR'S REMEDIES ON DEFAULT. Upon any Act of Default, Lessor shall be entitled to do one or more of the following:

(a) declare this Lease to be in default (with or without terminating this Lease) whereupon all unpaid Total Monthly Payments specified above for the Term shall be accelerated and become immediately due and payable without any notice or demand whatsoever;

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| **LESSOR** | **LESSEE** |

(b) terminate this Lease;

(c) take possession of the Equipment, without demand, notice or legal proceedings and enter on any premises of Lessee or any other person for such purpose;

(d) sell, lease or otherwise dispose of the Equipment by public or private transaction for such consideration payable immediately and/or deferred and on such terms and conditions as Lessor in its discretion determines;

## TERMS AND CONDITIONS OF LEASE

(e) whether or not this Lease may have been terminated, demand, sue for and recover damages arising out of such default, which damages shall include, without limitation, as a genuine pre-estimate of Lessor's liquidated damages for loss of bargain and not as a penalty, the aggregate of all unpaid Total Monthly Payments for the Term, discounted to present value at the rate of 5% per annum, compounded monthly, less the aggregate of the net proceeds derived from the sale, re-leasing or other disposition of the Equipment, after deducting all costs and expenses incurred by Lessor in disposing of the Equipment; and

(f) exercise any other rights or remedies and/or take any proceedings available to Lessor at law or in equity.

In lieu of selling, re-leasing or otherwise disposing of the Equipment, Lessor may retain and cause the Equipment to be valued by a qualified appraiser selected by it and such value shall be substituted for and deducted as net proceeds under Section 19(e) above. Proceeds of sale, re-lease or other disposition shall be deducted only when received, unless Lessor elects to take the present value of payments to be received under such sale, re-lease or other disposal, discounted at the rate of 5% per annum compounded monthly

ASSIGNMENT BY LESSOR. Lessor may at any time assign all or any part of its interest in the Equipment and/or this Lease without notice to or the consent of Lessee. Lessee hereby accepts any such assignments and waives notification of the assignment and the delivery of a copy of any assignment document. In the event of such assignment, the assignee shall be entitled to enforce the rights, remedies and benefits of the Lessor so assigned to the assignee and to receive all benefits which would otherwise accrued to the Lessor under this Lease.

RETURN OF EQUIPMENT UPON TERMINATION. Upon the termination of this Lease for any reason, the Lessee shall at its cost return the Equipment to the Lessor at a place in Canada designated by Lessor, in as good condition, order, repair and appearance as when originally delivered to Lessee, ordinary wear and tear only excepted, and if the Lessee fails to do so within ten (10) days, the Lessor shall have the right to enter upon the premises where the Equipment may be and take possession of and remove it at the Lessee's expense, all without legal process and without liability therefor.

WAIVER BY LESSOR. No covenant or condition of this Lease can be waived except by the written consent of the Lessor, and forbearance or indulgence by the Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the Lessee to which the same may apply, and until complete performance by the Lessee of said covenant or condition, the Lessor shall be entitled to invoke any remedy available to the Lessor under this Lease or by law, despite said forbearance or indulgence.

COLLECTION CHARGES. Should the Lessee fail to pay when due any sum required to be paid by the Lessee to the Lessor under this Lease, the Lessee agrees to pay to the Lessor interest on the amount in default from the due date thereof until paid at the rate of twenty-four per cent (24%) per annum.

PREAUTHORIZED PAYMENT. Lessee agrees that it will authorize Lessor to draw the Total Monthly Payments from the Lessee's bank account under the Lessor's pre-authorized payment plan. Payment by other means must receive the Lessor's prior approval and will nevertheless be subject to a service fee at Lessor's sole discretion.

TIME OF THE ESSENCE. Time is of the essence of this Lease and each and all of its provisions.

RENEWAL OF LEASE OR OPTION TO PURCHASE.

26.1 If, at the expiry of the Term the Lessee fails to return the Equipment to the Lessor or has not exercised the option to purchase the Equipment upon expiry of the Term as herein provided, then this Lease shall continue on a month to month basis at a monthly rent equal to the Total Monthly Lease Payment. All other terms and conditions contained herein shall continue to apply to the month to month tenancy hereby created.

26.2 The Lessee shall have the option to purchase the Equipment at the end of the Term for the sum of $100.00, unless stated otherwise on page one (1) of this agreement, providing all of the Total Monthly Lease Payments required under this Lease, have been punctually paid. Lessee must notify Lessor in writing not more than 30 days or less than 10 days prior to expiry of the Term, if Lessee desires to purchase the Equipment. Upon payment of the purchase price for the Equipment, the Lessor will deliver title to the Equipment to the Lessee at the end of the Term on a "as is, where is" basis without any condition, representation or warranty by the Lessor of any kind whatsoever, express or implied, including without limiting the generality of the foregoing, the merchantability, condition, design, durability, suitability or fitness for a particular purpose or for the use intended by Lessee or as to any other matter or thing whatsoever, and all warranties are to the extent permitted by law excluded. The option to purchase cannot be assigned by Lessee and any assignment or purported assignment thereof shall be null and void and shall be deemed an Act of Default, as defined in this Lease.

BINDING UPON HEIRS, EXECUTORS, SUCCESSORS AND ASSIGNS. This Lease shall enure to the benefit of and be binding upon the Lessor and it's successors and assigns and the Lessee and it's permitted assigns and the heirs, executors and administrators of the Lessee if an individual, provided that nothing in this Clause contained shall impair or negate any of the provisions herein before set forth prohibiting transfer or subletting of the Equipment by the Lessee, or assignment of this Lease by the Lessee without the written consent of the Lessor.

HEADINGS. The insertion of headings in this Lease is for convenience of reference only and shall not affect the interpretation thereof.

INTERPRETATION. It is hereby agreed by and between the parties hereto that whenever the context of this Lease so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and if more than one person or corporation executes this Lease as Lessee, their obligations hereunder shall be joint and several and, where the context so admits, each reference in this Lease to Lessee shall include reference to any one or more or all of such persons and corporations and the acts or omissions of any such persons or corporations shall bind all of them.

LEGAL EXPENSES. If this Lease is placed in the hands of a solicitor for enforcement, the Lessee agrees to pay all costs, charges and expenses incurred by the Lessor in connection with enforcing this Lease, including without limitation, legal fees on a solicitor and his own client basis.

GOVERNING LAW. This Lease shall be interpreted and enforced in accordance with the laws of the Province wherein the Equipment is to be located according to the terms hereof

CREDIT INVESTIGATION. Lessee hereby consents and authorizes Lessor and it's agents and representatives at any time

(a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to the Lessee ("Information"), as Lessor deems necessary to process, service and enforce this Lease and any other existing or potential transactions, or as required or otherwise permitted by law; and

(b) to respond to inquiries from, and exchange any information with third parties concerning Lessee's credit rating, financial capacity and payment history, and

(c) to provide information to persons to whom Lessor considers assigning or otherwise disposing of rights or obligations under this Lease; and

(d) to provide to any person copies of this Lease. This consent is in addition to and does not replace any consent previously given.

STATEMENTS. Annually and within ninety (90) days of the end of each financial year of the Lessee, Lessee shall deliver to Lessor at Lessor's request a copy of the Lessee's financial statement as at the end of each financial year of Lessee prepared using Generally Accepted Accounting Principles.

NOTICES. Any notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing, and shall be delivered personally or mailed by registered mail, postage prepaid, or faxed by electronic facsimile to the parties at their respective addresses or facsimile numbers set forth herein or at any such other address or facsimile number as may be given by one party to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or faxed, shall be deemed to have been given on the day of delivery or transmission, if a business day, or if not a business day, on the business day next following the day of delivery or transmission; provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered or transmitted by fax.

CLERICAL ERRORS. Lessor is authorized by Lessee to correct clerical or inadvertent errors appearing in this Lease.

STATUTORY WAIVER AND ACKNOWLEDGEMENT. Lessee acknowledges receipt of a true copy of this Lease and waives its rights to receive any copy of any financing statement or financing change statement registered by Lessor and of any related verification statement. Lessee waives to the full extent allowed by law, the provisions of the *Limitation of Civil Rights Act* (Saskatchewan), the *Distress Act* (Manitoba), Sections 19 through 24 of the *Sale of Goods on Condition Act* (British Columbia), Sections 47, 49 and 50 of the *Law of Property Act* (Alberta), and the sale of goods legislation of any applicable jurisdiction all as amended or replaced from time to time.

CURRENCY. Unless otherwise stated in this Lease, all sums of money payable hereunder shall be paid in Canadian Dollars.

SEVERABILITY. Any term, condition or provision of this Lease which is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidating the balance hereof.

SECURITY INTEREST. The security interest granted by the Lessee to the Lessor by this Lease includes the Equipment together with all accessories installed in or affixed to or attached or appertaining to the Equipment and all personal property in any form or fixtures derived directly or indirectly from any dealing therewith and includes payment representing indemnity or compensation for loss or damage thereof or proceeds therefrom.

FINANCING STATEMENTS.

41.1 Lessor is hereby authorized to file one or more financing statements in respect of this Lease. Lessee hereby irrevocably appoints Lessor as the true and lawful attorney-in-fact of Lessee, coupled with an interest, with full power in Lessee's name, place and stead to execute financing statements on Lessee's behalf and to do any and all other acts on Lessee's behalf necessary or helpful to perfect Lessor's security interest in the Equipment pursuant to any applicable personal property security legislation and pursuant to any other applicable provincial or federal law.

41.2 Any security interest granted herein shall attach to any proceeds and Lessee and Lessor agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Equipment and that such security interests shall attach to any Equipment leased by Lessee from Lessor after the date hereof. Lessor may at any time, with or without exercising any of the rights or remedies available to it and without prior notice or demand to Lessee, appropriate and apply toward payment of any of Lessee's obligations to Lessor any and all balances, sums, property, credits, deposits, accounts, reserves, collections, monies, drafts, notes or cheques coming into Lessor's possession and belonging or owing to Lessee and for such purposes, endorse Lessee's name on any such instrument made payable to Lessor for deposit, negotiation, discount or collection.

GENERAL SECURITY INTEREST. To further secure performance of the obligations of the Lessee under this Lease, Lessee grants to Lessor a general security interest, as defined in the Personal Property Security Act (Alberta) in all present and after acquired personal property of the Lessee.

ACCEPTANCE. Lessee understands and accepts the terms and conditions of this Lease and all of the obligations of the Lessee herein.

LANGUAGE. The parties hereto have expressly required that this Lease and all documents, agreements and notices relating thereto be drafted in the English language.

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# GENERAL SECURITY AGREEMENT

**To:**

WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER WESLEASE INCOME GROWTH FUND GP LTD.
(hereinafter referred to as the "Secured Party")

**From:**

1919209 ALBERTA LTD AND PAUL MCCRACKEN, ACTING JOINTLY AND SEVERALLY
(hereinafter referred to as the "Debtor")

**1. Definitions**

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Alberta, as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefore and amendments thereto is herein defined as the "PPSA".

**2. Security Interest**

As continuing security for the payment and performance of all debts, liabilities and obligations of the Debtor to the Secured Party howsoever arising (present and future, absolute and contingent) (the "Indebtedness") the Debtor grants, assigns, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge, and grants a Security Interest to and in favor of the Secured Party in the undertaking of the Debtor and in all personal property referred to in schedule "A" and in all Proceeds and renewals thereof, accessions thereto and substitutions therefor (the "Collateral"). The Debtor warrants and acknowledges to and in favor of the Secured Party that:

a) the parties intend the Security Interest hereby constituted in its existing property to attach upon execution and delivery hereof;

b) the parties intend the Security Interest created in after-acquired property of the Debtor to attach at the same time as it acquired rights in the said after-acquired property; and

c) value has been given

**3. Continuous Interest**

The mortgage, pledge, charge and Security Interest hereby created shall be a continuous charge notwithstanding the Indebtedness may be fluctuating and even may from time to time, and at any time, be reduced to a nil balance and notwithstanding monies advanced may be repaid and further advanced made to or to the order of the Debtor or in respect of which the Debtor is liable.

**4. Authorized Dealing With Collateral**

Until Default, or until the Secured Party provides written notice to the contrary to the Debtor, the Debtor may deal with the collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may not, and agrees that it will not, without prior written consent of the Secured Party:

a) sell or dispose of any of the Collateral otherwise than for fair market value in the ordinary course of the Debtor's business as it is presently conducted and for the purpose of carrying on that business, or

b) create or incur any Security Interest, lien, assessment, or encumbrance upon any of the Collateral which ranks or purports to rank, or is capable of being enforced in priority to or equally with the Security Interest granted under this Agreement, except Purchase Money Security Interests and Leases uncured in the ordinary course of the Debtor's business.

5. **Representations and Warranties of the Debtor**

The Debtor hereby represents and warrants with the Secured Party that:

a) the collateral is owned by the Debtor free of all Security Interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances");

b) this Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditor's rights and by rules of equity governing enforceability by specific performance;

c) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there ant statute, rule or regulation, or ant judgment, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Agreement;

d) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or operations or impair the Debtor's ability to perform hereunder.

6. **Covenants of the Debtor**

The Debtor hereby covenants with the Secured Party that:

a) the Debtor owns and will maintain the Collateral free of Encumbrances, or those hereafter approved in writing by the Secured Party prior to their creation or assumption, and will defend title to the Collateral fir the benefit of the Secured Party against the claims and demands of all persons;

b) the Debtor will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired, and will permit the Secured Party or such persons as the Secured Party may from time to time appoint to enter into any premises where the Collateral may be kept to view its condition;

c) to pay the Secured Party the Indebtedness including, without limitation, all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitor's and auditor's costs and other legal expenses and Receiver remuneration), in operating the Debtor's Accounts, in preparing or enforcing the General Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing and collecting the Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby;

d) that if by reason of location of the Collateral or otherwise the creation, validity or perfection of the Security Interest provided for herein is governed by law of a jurisdiction other than Alberta, then the Debtor shall take such steps and execute and deliver such papers as the Secured Party may from time to time request to comply with the Personal Property Security Act and other laws of another province or provinces, or the laws of Canada.

7. **Default**

The happening of any of the following shall constitute Default under this Agreement:

a) The Debtor fails to pay, when due, the Indebtedness or any part thereof or to perform when due any other obligation to the Secured Party;

b) The Debtor fails when due to perform any obligation to any other person, and such failure is not cured within 30 days of the date the Debtor first knew or should have known of such failure;

c) Any representation or warranty made in this Agreement or any other document or report furnished to the Secured Party in respect of the Debtor or the Collateral proves to have been or to have become false or materially misleading;

d) The Debtor ceases or demonstrates an intention to cease to carry on business or disposes or purports to dispose of all or a substantial part of its assets;

e) An order is made or a resolution is passed for winding up the Debtor or a petition is filed for the winding up, dissolution, liquidation or amalgamation of the Debtor;

f) The Debtor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Debtor, or a Receiver of the Debtor, or any part of its property is appointed, or the Debtor commits or demonstrates an intention to commit any act of bankruptcy, or the Debtor otherwise becomes subject to the provisions of the Bankruptcy Act or any other Act for the benefits of its creditors;

g) Any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Debtor, or a outside Secured Party takes possession of any of the Debtor's property;

h) Any material adverse change occurs in the financial position of the Debtor;

i) The Secured Party considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

**8. <u>Remedies</u>**

**On Default:**

a) The Secured Party may seize or otherwise take possession of the Collateral or any part thereof and sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;

b) The Secured party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and dispose of the Collateral by any method permitted by law, including disposal by lease or deferred payment;

c) Subject to the Act, all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied on the account of the Indebtedness in such manner as the Secured Party deems appropriate or at the option of the Secured Party, may he held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder and any surplus shall be accounted for as required by law;

d) The Debtor acknowledges and agrees that the enforcement of the Security Interest hereby created and any realization upon the security of the Collateral shall not in any way restrict, hinder or estop the Secured Party from suing for and obtaining judgment against the Debtor for any amount which may remain due in respect of this Agreement after the application of the proceeds of any sale, disposal or leasing of the Collateral, including all legal fees and disbursements as between a solicitor and his own client and any and all other reasonable professional fees including, without limitation, Receiver and accounting fees and disbursements;

e) The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain possession or payment of the Collateral or any part thereof and shall not be bound to institute proceeding for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect to the same;

f) The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Collateral;

g) The Secured Party may appoint any person or persons to be a Receiver of any Collateral. And may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a Receiver-Manager;

h) Any Receiver will have the power:

i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;

ii) to carry on or concur in carrying on the business of the Debtor;

iii) to sell and dispose of any or all of the Collateral at public auction, by public or private tender or by private sale at such time and on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price, and as to method of payment whether by way of deferred payment or otherwise, as the Receiver shall in its sole discretion determine and to deliver to the purchaser or purchasers of the Collateral good and sufficient deeds or title documents for the same, the Receiver being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale shall be absolute and conclusive as against the Debtor or any person claiming by, from, through or under the Debtor and the Debtor's assigns;

iv) to make any arrangement or compromise which he may think expedient in the interest of the Secured Party

v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;

vi) to hold as additional security any increase or profits resulting from the Collateral;

vii) to exercise all rights that the Secured Party have under this Agreement or otherwise at law.

i) The Debtor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect sale or lease of any Collateral and any deed, lease, agreement or other document signed by the Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the debtor;

j) Any Receiver will be deemed to be the agent of the Debtor, and the Debtor will solely be responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any receiver;

k) Neither the Secured Party nor the Sheriff is required to keep Collateral identifiable;

l) The Secured Party may use the Collateral in any manner as it in its sole discretion deems advisable.

## 9. Securities

If the Collateral at any time includes Securities, the Debtor irrevocably authorizes and appoints the Secured Party as its attorney and agent to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof; provided that, until Default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

## 10. Acceleration

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness due and payable by the Debtor which is not by its terms payable on demand, to be immediately due and payable, and the Secured Party shall be entitled to proceed in accordance with the terms of paragraph 8 hereof.

## 11. Notice

Any notice or demand required or permitted to be made or given by the Secured Party to the Debtor may be validly served by leaving the same or by mailing the same by prepaid registered mail addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of the Secured Party, and in the case of mailing such notice or demand shall be deemed to have been received by the Debtor in the third business day following the date of mailing.

12. **Costs and Expenses**

The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality if the forgoing, legal fees as between a solicitor and client on a full indemnity basis), in enforcing this Agreement and taking custody of the Collateral and all such costs, charges and expenses shall be a first charge on the proceeds of realization, collection, or disposition of Collateral and shall be secured hereby.

13. **Miscellaneous**

a) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party and all such other securities shall remain in full force and effect.

b) The Debtor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, or as may be required by the Secured Party from time to time.

c) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

d) If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any deficiency remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

14. **Copy of Agreement**

The Debtor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it.

IN WITNESS WHEREOF the Debtor has executed this Agreement this _________ day of October, 2015.

_________________________
Witness

By: _________________________
Paul McCracken
*Authorized Signature*

By: _________________________
Paul McCracken
*Owner*

**SCHEDULE "A"**

**Description of Collateral**

All of the Debtor's present and after acquired personal property being Goods, Documents of Title, Securities, Chattel Paper, Instruments, Money and Intangibles, including, without limitation, the following:

a) All present and after-acquired Equipment, and any Proceeds therefor, including, without limiting the generality of the foregoing, all fixtures, plant machinery, tools and furniture nor hereafter owned or acquired,

b) All present and after-acquired Inventory and any Proceeds therefor, including, without limiting the generality of the foregoing, all raw materials, Goods in process, finished Goods, and packaging materials and Goods acquired or held for sale or furnished or to be furnished under contracts of rental or service; and

c) All present and after-acquired Intangibles and Proceeds therefor, including, without limiting the generality of the foregoing, all debts, accounts, chooses in action, claims, demands and monies now due or owing or accruing due or which may hereafter become due or owing to the Debtor, including (without limiting the foregoing) claims against the Crown in the Right of Canada or of any province, monies which may become payable under any policy or insurance in respect of any loss by fire or other cause which has been or may be incurred by the Debtor (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof.

d) Description of Equipment includes:
42 Room Jack & Jill Framless Dorm Berland
8 Dorms -2015 S/N 201504WB001, 201504WB002,
201504WB003, 201504WB004, 201504WB005, 201504WB006
201504WB007, 201504WB008

I/We hereby acknowledge that the leased equipment referred to herein is not for resale.

**LESSEE INITIALS** ________

weslease
INCOME GROWTH FUND

Weslease Income Growth Fund Limited Partnership | 11464 - 149th Street Edmonton, AB T5M 1W7
Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200

To: WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP

## ACCEPTANCE CERTIFICATE

We hereby acknowledge complete and satisfactory Delivery and Installation of the equipment described in the agreement made between Weslease Income Growth Fund Limited Partner as Lessor and the undersigned, as Lessee. We hereby represent and warrant to you, that the said lease agreement is unconditionally accepted by us and that the subject equipment or machinery was personally selected by us from the Dealer/Vendor. It is of the type and nature specified by us and we waive any claim or offset the Lessor. We recognize the right of the Lessor to enforce the said Lease Agreement in accordance with its conditions, free from any defenses, offsets or counter claims. We hereby acknowledge and agree that any claims, warranties guarantees, or representations made by the Dealer/Vendor to us by and between ourselves and the Dealer/Vendor, and that any failure of the leased equipment to perform satisfactorily for any reason, or any insuffiency in the service, warranty or representation by the Dealer/Vendor shall not alter our liability or performance in the prompt and timely payment of each and every lease payment when due. We acknowledge and agree that said lease agreement constitutes the only agreement and the whole agreement between ourselves and the Lessor. We authorize the Lessor to provide payment to the Dealer/Vendor(s) in the amount(s) as stated in the Dealer/Vendor(s) invoice by the Lessor and acknowledge that the said Lease Agreement shall commence upon release of payment to the Dealer/Vendor(s) by the Lessor.

**LESSEE INITIALS** ________

## WESLEASE INCOME GROWTH FUND LIMITED PARTNERSHIP
## AUTOMATIC PAYMENT PLAN

Weslease Income Growth Fund LP is hereby requested and authorized to draw payments monthly under its Automatic Payment Plan, such payments to be charged against the account of the undersigned as shown within and to cover the lease payment and the buy out amount in accordance with the terms and conditions of the Lease agreement(s) between the undersigned Lessee and Weslease Income Growth Fund LP. **Any payments that are returned NSF will be assessed a $35.00 NSF fee and the payment will be auto-debited from the clients account on the 25th of the respective month.**

Executed in the city of ________________ in the province of ____________ this ________ day of October, 2015

**LESSEE NAME**: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally

**LEASE NUMBER**: 1510155

**SELECT METHOD FOR MONTHLY PAYMENTS**

- ☐ Automatic Bank Withdrawal (provide Void cheque)
- ☐ Direct Deposit
- ☐ Cheque
- ☐ Visa/ MasterCard (complete the authorization form)

LESSEE: ______________________________
Paul McCracken
*Authorized Signature*

weslease
INCOME GROWTH FUND

Weslease Income Growth Fund Limited Partnership | 11464 - 149th Street Edmonton, AB | T5M 1W7
Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200

# CREDIT CARD AUTHORIZATION FORM

I/ We ______________________________, authorize Weslease Income Growth Fund LP to charge the following credit card every month for subsequent payments for Lease No. ________________

**CREDIT CARD TYPE:** ☐ VISA ☐ MASTERCARD ☐ AMERICAN EXPRESS

**CREDIT CARD #:** ______________________________

**CARD CVV #** (last 3 numbers in the back of the card): ________________

**EXPIRATION DATE:** ________________

______________________________
*SIGNATURE OF CARDHOLDER*

______________________________
Date

weslease
INCOME GROWTH FUND


| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
|---|---|---|
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


# INSURANCE INFORMATION

**LEASE NUMBER: 1510155**

**Lessee Name: 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally**

Per section 12 of the Lease Financing Agreement, the client is required to provide proof of insurance with Weslease Income Growth Fund Limited Partnership as first loss payable. Please provide the following:

✓ **NAME OF INSURANCE COMPANY, CITY & PROVINCE:**

| |
|---|
| |
| |
| |
| |

✓ **NAME OF CONTACT AT INSURANCE COMPANY:**

| |
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| |
| |

✓ **PHONE AND/OR FAX NUMBER OF INSURANCE COMPANY:**

| |
|---|
| |
| |
| |
| |

**CLIENT KEEPS INSURANCE INFORMATION FORM**
**COMPLETED FORM MUST BE RETURNED BY: FAX TO 780-451-1200, EMAIL TO INFO@WESLEASE.COM OR SEND BACK WITH EXECUTED LEASE DOCUMENTS**

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INCOME GROWTH FUND

Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7
Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200

# NOTIFICATION – APPROVAL OF LEASE

| | |
|---|---|
| LESSEE: | 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally |
| FROM: | Alethea Buhr |
| DATE: | February 26, 2016 |
| NUMBER OF PAGES: | One |
| LEASE NUMBER: | 1602191A |

LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING
(APPROVAL IS VALID FOR 30 DAYS)

DESCRIPTION OF EQUIPMENT: **Waste Water Treatment Plant – FilterBoxx 3,000 person capacity "portable" activated sludge waste water treatment plant constructed and delivered in 2008.**

| | |
|---|---|
| Purchase Price Net: | $ 1,200,000.00 |
| Term of Lease: | 60 months, skip lease |
| Monthly Payment: | $ 34,252.53 |
| GST: | $ 1712.63 |
| PST: | $ 0.00 |
| Gross Monthly Payment: | $ 35,965.16 |

| | |
|---|---|
| Lease Advance Payment (first and last month): | $ 71,930.32 |
| Registration Fee: | $ 1,500.00 |
| Total First Payment (Due When Lease Signed): | $ 73,430.32 |
| Lease Payment Schedule: | |

Initial payment of $ 73,430.32 due upon signing the lease & automatic withdrawal of monthly payments of $ 35,965.16 each month beginning June 2016. **Please select the preferred date for your automated lease monthly payments:**

☐ 15th ☑ End of the Month ***Payments will be auto-debited from your account every month on this day**

RESIDUAL (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

**Approval Conditions:**

- Credit Application Approval
- Collateral Mortgage on available property as follows:
  $1,500,000 Collateral Mortgage on property described as : 0826492; 3; 7, 8, 11, 12 Municipal District of Bonnyville, Alberta, and
  $700,000 Collateral Mortgage on Property described as 1251 Industrial Drive, Wabasca, AB (032037;2;1)
- Simonette Dorms # 201517WB022, 201517WB024, 201517WB011, 201517WB12, 201517WB13,201517WB19, 201517WB020, 201517WB21, 201517WB25, 201517WB26
- Promissory Note
- General Security Agreement (GSA) must be signed
- Any payments that are returned NSF will be assessed a **$35.00 NSF** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- All rescheduled payments need a minimum of **72 hours** notice before the next scheduled payment is to be auto debited.
- Location of Equipment must be provided
- Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund LP. as first loss payable

M

weslease
INCOME GROWTH FUND


| | | |
|---|---|---|
| Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7 |
| Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200 |


# NOTIFICATION – APPROVAL OF LEASE

| | |
|---|---|
| **LESSEE:** | 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally |
| **FROM:** | **Alethea Buhr** |
| **DATE:** | **February 26, 2016** |
| **NUMBER OF PAGES:** | One |
| **LEASE NUMBER:** | **1602191B** |

**LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING**
(APPROVAL IS VALID FOR 30 DAYS)

**DESCRIPTION OF EQUIPMENT:** **Waste Water Treatment Plant – FilterBoxx 3,000 person capacity "portable" activated sludge waste water treatment plant constructed and delivered in 2008.**

| | |
|---|---|
| **Purchase Price Net:** | $ 1,500,000.00 |
| **Term of Lease:** | 60 months, skip lease |
| **Monthly Payment:** | $ 42,815.67 |
| **GST:** | $ 2140.78 |
| **PST:** | $ 0.00 |
| **Gross Monthly Payment:** | **$ 44,956.45** |

| | |
|---|---|
| **Lease Advance Payment** (first and last month): | $ 89,912.90 |
| **Registration Fee:** | $ 1,500.00 |
| **Total First Payment** (Due When Lease Signed): | **$ 91,412.90** |
| **Lease Payment Schedule:** | |

Initial payment of $ 91,412.90 due upon signing the lease & automatic withdrawal of monthly payments of $ 44,956.45each month beginning June 2016. **Please <u>select</u> the preferred date for your automated lease monthly payments:**

☐ **15th** ☑ **~~End~~ of the Month** ***Payments will be auto-debited from your account every month on this day**

**RESIDUAL** (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

LESSEE INITIALS: PM

**Approval Conditions:**

- Credit Application Approval
- Collateral Mortgage on available property as follows:
  $1,500,000 Collateral Mortgage on property described as :0826492; 3; 7, 8, 11, 12 Municipal District of Bonnyville, Alberta, and $700,000 Collateral Mortgage on Property described as 1251 Industrial Drive, Wabasca, AB (032037;2;1)
- Simonette Dorms # 201517WB022, 201517WB024, 201517WB011, 201517WB12, 201517WB13,201517WB19, 201517WB020, 201517WB21, 201517WB25, 201517WB26
- Promissory Note
- General Security Agreement (GSA) must be signed
- Any payments that are returned NSF will be assessed a **$35.00 NSF** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- All rescheduled payments need a minimum of **72 hours** notice before the next scheduled payment is to be auto debited.
- Location of Equipment must be provided
- Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund LP. as first loss payable

LESSEE INITIALS: PM

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INCOME GROWTH FUND

Weslease Income Growth Fund LP | 11464 - 149th Street Edmonton, AB | T5M 1W7
Phone: (780) 429-1900 | www.weslease.com | Fax: (780) 451-1200

# NOTIFICATION – APPROVAL OF LEASE

| | |
|---|---|
| LESSEE: | 1919209 Alberta Ltd and Paul McCracken, Acting Jointly and Severally |
| FROM: | **Alethea Buhr** |
| DATE: | **February 26, 2016** |
| NUMBER OF PAGES: | One |
| LEASE NUMBER: | **1602191C** |

**LEASE FOR THE ABOVE IS APPROVED FOR THE FOLLOWING**
(APPROVAL IS VALID FOR 30 DAYS)

**DESCRIPTION OF EQUIPMENT:** Waste Water Treatment Plant – FilterBoxx 3,000 person capacity "portable" activated sludge waste water treatment plant constructed and delivered in 2008.

| | |
|---|---|
| Purchase Price Net: | $ 1,000,000.00 |
| Term of Lease: | 60 months, skip lease |
| Monthly Payment: | $ 28,543.78 |
| GST: | $ 1427.19 |
| PST: | $ 0.00 |
| Gross Monthly Payment: | **$ 29,970.97** |

| | |
|---|---|
| **Lease Advance Payment** (first and last month): | $ 59,941.94 |
| **Registration Fee:** | $ 1,500.00 |
| **Total First Payment** (Due When Lease Signed): | **$ 61,441.94** |
| **Lease Payment Schedule:** | |

Initial payment of $ 61,441.94 due upon signing the lease & automatic withdrawal of monthly payments of $29,970.97each month beginning June 2016. **Please select the preferred date for your automated lease monthly payments:**

☐ ~~15th~~ ☐ ~~End of~~ the Month *Payments will be auto-debited from your account every month on this day

**RESIDUAL** (buy out at end of term): **$100.00 + Tax** to be automatically withdrawn with the final Lease payment.

PM

**Approval Conditions:**

- Credit Application Approval
- Collateral Mortgage on available property as follows:
  $1,500,000 Collateral Mortgage on property described as :0826492; 3; 7, 8, 11, 12 Municipal District of Bonnyville, Alberta, and $700,000 Collateral Mortgage on Property described as 1251 Industrial Drive, Wabasca, AB (032037;2;1)
- Simonette Dorms # 201517WB022, 201517WB024, 201517WB011, 201517WB12, 201517WB13,201517WB19, 201517WB020, 201517WB21, 201517WB25, 201517WB26
- Promissory Note
- General Security Agreement (GSA) must be signed
- Any payments that are returned NSF will be assessed a **$35.00 NSF** fee, the payment will be auto-debited from the clients account on the 25th of the respective month( if payments are auto-debited on the 15th )and on the 15th of the following month (if payments are auto-debited on the 25th )
- All rescheduled payments need a minimum of **72 hours** notice before the next scheduled payment is to be auto debited.
- Location of Equipment must be provided
- Per section 12 of the lease terms, client is required to provide proof of insurance with Weslease Income Growth Fund LP. as first loss payable

LESSEE INITIALS: PM