Clerk's stamp:

COURT FILE NUMBER	2303 11446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	UMC FINANCIAL MANAGEMENT INC.
DEFENDANTS	CAREADON CORP., 1978753 ALBERTA LTD., and TERRENCE HODGSON in his capacity as trustee of ALDER INVESTMENT GROUP TRUST 2016
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP 2700 Commerce Place 10155 - 102 Street, Edmonton, AB, T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Spencer Norris Lawyer's Email: snorris@millerthomson.com File No.: 0272633.0003

AFFIDAVIT OF DANEKA-LEE PUECH

Sworn on June 25, 2023

I, DANEKA-LEE PUECH, of Sturgeon County, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am a director by the Plaintiff, UMC Financial Management Inc. ("**UMC**"), and as such, I have personal knowledge of the facts and matters herein deposed to except where stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. I have reviewed the business records maintained by UMC in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business, and where I do not have direct personal knowledge of matters deposed herein, my knowledge is derived from my review of the business records of UMC, relevant copies of which are attached to this my Affidavit.

3. I am authorized to swear this Affidavit on behalf of UMC.

BACKGROUND

4. The Defendant, Careadon Corp. ("**Careadon**") is a corporation incorporated pursuant to the laws of Alberta. Attached hereto as **Exhibit "A"** is a true copy of an Alberta Corporate Registry search of Careadon.

5. Careadon operates and owns a seniors residence in the City of St. Albert by the name of "Careadon Village" located in or around 2 Inglewood Drive, St. Albert, Alberta (the "**Residence**") on the lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "**Lands**")

6. Attached hereto as **Exhibit "B"** is a true copy of the land title certificate of the Lands as at April 24, 2023.

7. The Defendant, 1978753 Alberta Ltd. ("**197**") is a body corporate incorporated pursuant to the laws of the Province of Alberta, having its registered office in the City of Edmonton, Alberta. Attached hereto as **Exhibit "C"** is a true copy of an Alberta Corporate Registry search of 197.

8. The Defendant, Alder Investment Group Trust 2016 (the "**Alder Trust**"), to the best of UMC's knowledge, is a trust duly formed and validly subsisting under the laws of Alberta.

9. To the best of UMC's knowledge Terrence Hodgson is the sole trustee of the Alder Trust and a director of Careadon and 197.

THE MORTGAGE FACILITY OF CAREADON

10. On the application of Careadon, UMC agreed to extend to Careadon a mortgage facility in the amount not exceeding $65,000,000.00 (the "**Mortgage Facility**"), the terms of which are set out in the following documents:

(a) the Commitment Letter dated June 23, 2015, a true copy of which is attached hereto as **Exhibit "D"**;

(b) the Commitment Letter dated June 16, 2017 a true copy of which is attached hereto as Exhibit "**E**";

(c) the Amending Letter dated February 15, 2019 a true copy of which is attached hereto as **Exhibit "F"**;

(d) the Amending Letter dated July 11, 2019 a true copy of which is attached hereto as **Exhibit "G"**;

(e) the Amending Letter dated November 29, 2019 a true copy of which is attached hereto as **Exhibit "H"**;

(f) the Amending Letter dated August 27, 2020 a true copy of which is attached hereto as **Exhibit "I"**;

(g) the Amending Letter dated January 15, 2021 a true copy of which is attached hereto as **Exhibit "J"**;

(h) Mortgage Payment Deferral dated January 15, 2021 a true copy of which is attached hereto as **Exhibit "K"**;

(i) the Amending Letter dated December 20, 2021 a true copy of which is attached hereto as **Exhibit "L"**;

(j) the Amending Letter dated February 24, 2022 a true copy of which is attached hereto as **Exhibit "M"**;

(k) Advance Letter dated April 4, 2023 a true copy of which is attached hereto as **Exhibit "N"**; and

(l) Advance Letter dated April 11, 2023 a true copy of which is attached hereto as **Exhibit "O"**.

(collectively, "**Facility Documents**")

GUARANTEES GRANTED BY THE DEFENDANTS

11. To secure all indebtedness owed by Careadon to UMC, including the Mortgage Facility, 197 executed Guarantees dated February 22, 2019, July 19, 2019, December 3, 2019, and April 4, 2021, and in favor of UMC with respect to the indebtedness and obligations of Careadon owing to UMC, plus all interest thereon, and all costs, charges and expenses which may be incurred by UMC in respect of any indebtedness of Careadon thereby guaranteed or in enforcing the guarantees (the "**197 Guarantees**").

12. Attached hereto as **Exhibit "P"** are true copies of the 197 Guarantees and accompanying resolutions.

13. To secure all indebtedness owed by Careadon to UMC, including the Mortgage Facility, Alder Investment executed Continuing and Unlimited Guarantees dated February 22, 2019, July 19, 2019, December 3, 2019, and in favor of UMC with respect to the indebtedness and obligations of Careadon owing to UMC, plus all interest thereon, and all costs, charges and expenses which may be incurred by UMC in respect of any indebtedness of Careadon thereby guaranteed or in enforcing the guarantees (the "**Alder Investment Guarantees**").

14. Attached hereto as **Exhibit "Q"** are true copies of the Alder Investment Guarantees and accompanying resolutions.

SECURITY GRANTED BY DEFENDANTS

15. To secure due payment and discharge of all present and future obligations, indebtedness and liability of Careadon to UMC, Careadon granted or caused to be granted in favour of UMC a General Security Agreement dated August 13, 2015 granting UMC a security in all present and after-acquired property of Careadon (the "**Careadon GSA**")

16. Attached hereto as **Exhibit "R"** is a true copy of the Careadon GSA.

17. The Careadon GSA was registered at the Alberta Personal Property Registry on August 13, 2015 as Registration No. 15081330435.

18. Attached hereto as **Exhibit "S"** is a true copy of a search of Careadon at the Alberta Personal Property Registry on April 24, 2023.

MORTGAGE GRANTED BY CAREADON

19. By a Mortgage made under the *Lands Tiles Act*, dated August 13, 2015, and registered at the Alberta Land Titles Office on November 17, 2015 as Instrument No. 152 356 497, Careadon mortgaged the Lands in favour of UMC in the principal amount of $30,000,000.00, plus interest thereon at a rate of 8.00% per annum, calculated half yearly not in advance, plus all solicitor and client costs and legal expenses in connection with the Mortgage upon an act of default by Careadon, as well as all solicitor and client costs on a full indemnity basis for legal expenses required to maintain security (the "**Original Mortgage**").

20. On February 22, 2019, Careadon executed a Mortgage Amending Agreement increasing the principal amount of the Original Mortgage from $30,000,000.00 to $37,835,000.00 (the "**First**

Mortgage Amendment Agreement") registered at the Land Titles Office on March 4, 2019 as Instrument No. 192 050 766.

21. On July 19, 2019, Careadon executed a Mortgage Amending Agreement increasing the principal amount from $37,835,000.00 to $45,475,000.00 (the "**Second Mortgage Amendment Agreement**") registered at the Land Titles Office on August 6, 2019 as Instrument No. 192 184 984.

22. On December 3, 2019, Careadon executed a Mortgage Amending Agreement increasing the principal amount from $45,475,000.00 to $51,548,170.00 (the "**Third Mortgage Amendment Agreement**") registered at the Land Titles Office on December 16, 2021 as Instrument No. 192 304 464.

23. On April 21, 2021, Careadon executed a Mortgage Amending Agreement (the "**Fourth Mortgage Amendment Agreement**") registered at the Land Titles Office on June 14, 2021 as Instrument No. 212 131 364.

24. On March 15, 2022, Careadon executed a Mortgage Amending Agreement increasing the principal amount from $51,548,170.00 to $65,000,000.00 and amending the maturity date to December 31, 2022 (the "**Fifth Mortgage Amendment Agreement**", and collectively, with the Original Mortgage, the Second Mortgage Amendment Agreement, the Third Mortgage Amendment Agreement, and the Fourth Mortgage Amendment Agreement, the "**Careadon Mortgage**") registered at the Land Titles Office on July 7, 2022 as Instrument No. 232 143 913.

25. Attached hereto as **Exhibit "T"** is a true copy of the Original Mortgage, the First Mortgage Amendment Agreement, the Second Mortgage Amendment Agreement, the Third Mortgage Amendment Agreement, the Fourth Mortgage Amendment Agreement, and the Fifth Mortgage Amendment Agreement.

26. As further security, Careadon granted in favour of UMC a General Assignment of Rents and Leases dated August 13, 2015 with respect to the Lands, which has been registered against the Lands at the Land Titles Office on November 17, 2015 as Instrument No. 152 356 498. It was also registered at the Alberta Personal Property Registry on August 13, 2015 as registration number 15081328565.

27. Attached hereto as **Exhibit "U"** is a true copy of the General Assignments of Rents and Leases.

HMT HOLDINGS INC.

28. On or around April 20, 2021, UMC entered into an Intercreditor Agreement with HMT Holdings Inc. ("**HMT**"), a creditor of Careadon.

29. Attached hereto as **Exhibit "V"** is a true copy of the Intercreditor Agreement.

30. On or around April 29, 2021, UMC executed a postponement in favour of HMT and registered the same against the Lands at the Land Titles Office as Instrument 212 131 363.

31. Attached hereto as **Exhibit "W"** is a true copy of the Postponement.

THE INDEBTEDNESS OF CAREADON

32. As at June 23, 2023, there is outstanding under the Mortgage Facility, plus further amounts owed in respect of costs and expenses incurred by UMC including legal costs on a solicitor and own client full indemnity basis, plus further accruing interest thereon the amounts as follows:

MORTGAGE FACILITY

Principal	$ 55,609,920.01
Accrued Interest	$ 13,011,248.73

Current Interest	$	206,772.26
Total	**$**	**68,827,941.91**
Per Diem	*$*	*14,793.27*

(the "**Indebtedness**")

DEFAULT AND DEMAND

33. Careadon is in default of the Mortgage Facility, the Facility Documents, the Careadon GSA, and the Careadon Mortgage by, among other things:

    (a) failing to repay the Mortgage Facility by December 31, 2022;

    (b) failing to pay property taxes on the Lands as they become due; and

    (c) permitting the registration of construction lien against the Lands;

    (the "**Defaults**").

34. I am advised by UMC's counsel that on or around May 23, 2023, UMC's counsel demanded payment of the Indebtedness and served upon Careadon, 197, and Alder Investment notices of intention to enforce security pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (the "**Demands and Notices**").

35. Attached hereto as **Exhibit "X"** are true copies of the Demands and Notices.

36. Attached hereto as **Exhibit "Y"** are true copies of proof of deliveries of the Demands and Notices to Careadon and 197.

37. Attached hereto as **Exhibit "Z"** is a true copy of a statutory declaration of Mark A. Gruschynski with respect to service of Demands and Notices on the trustee of the Alder Trust, Terrence Hodgson.

38. To date, Careadon has failed, refused or neglected to pay the Indebtedness.

FINANCIAL DIFFICULTIES OF CAREADON

39. To date, Careadon has struggled with its finances and the construction of the Residence.

40. In February of 2022, it was estimated that the Residence would be completed in May of 2022 with the estimated cost of completion to be $3.8 million, as provided in the Amending Commitment Letter dated February 24, 2022 and attached hereto as Exhibit "M".

41. On June 14, 2023, UMC was provided a revised budget for the completion of the Residence which places the cost of completing the Residence at $7,341,435.00. Attached hereto as **Exhibit "AA"** is a true copy of the revised budget provided by Careadon.

42. Upon completion of the Residence, the Residence is to be comprised of 49 one-bedroom units and 115 two-bedroom units. As of the date of this affidavit, UMC has been advised that 54 units have received occupancy permits. Further, Terrence Hodgson of Careadon has advised that only 8 units have been leased. The lack of leased units has significantly impacted Careadon's cash flow and ability to pay for essential operating expenses.

43. Further, because of the delays in construction and the overruns in cost, Careadon has consistently found itself behind in payment of its subcontractors and payment of its vital operating costs.

44. Attached hereto as **Exhibit "BB"** is a true copy of a historical search of the Lands, noting the builders' liens that have been registered against the Lands during the course of the Residence construction.

45. Currently, Nordic Mechanical Services Ltd. has registered a construction lien against the Lands in the amount of $28,255 as of May 6, 2022. Careadon has not advised whether it intends to dispute this lien or pay it.

46. In March 2023, Careadon was unable to pay its payroll. As per the Advance letter dated April 4, 2023 (provided in Exhibit "N") UMC advanced $79,786.04 to Careadon in order for Careadon to cover its March 2023 payroll.

47. In April 2023, Careadon was unable to pay for insurance for the Residence. As per the Advance Letter dated April 11, 2023 (provided in Exhibit "O"), UMC advanced $410,212.22 to Careadon in order for it to pay its insurance premiums on the Residence.

48. On June 2, 2023, counsel for HMT demanded payment of amounts owing by Careadon to HMT and served a Notice to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

49. Attached hereto as **Exhibit "CC"** is a true copy of the demand letter and notice from HMT to Careadon of June 2, 2023.

50. On or around June 21, 2023, HMT commenced an action against Careadon and 197 for amounts owing by both to HMT.

51. Attached hereto as **Exhibit "DD"** is a true copy of the Statement of Claim filed by HMT on June 21, 2023.

52. According to HMT Holdings Inc.'s demand letter of June 2, 2023, Careadon owes HMT Holdings Inc. $13,138,718.91 as at June 1, 2023 (the "**HMT Indebtedness**")

53. UMC has obtained an appraisal of the Lands and Residence as a completed, leased-up property. The appraisal appraises the market value of the Residence to be $76,960,000 when it is fully constructed and when operating at stabilized levels, as at February 22, 2023 (the "**Appraisal**")

54. Attached hereto as **Exhibit "EE"** is a true copy of the Appraisal.

55. The aggregate amount of the HMT Indebtedness and the Indebtedness owing by Careadon to UMC exceeds the appraised market value of the Residence in a completed, leased state. This does not take in account the further approximate $7,341,435 that Careadon estimates is required to complete the Residence. UMC understands from its conversations with representatives of Careadon that there is no intention or ability to make an equity injection in Careadon to cover the costs to complete the Residence.

56. I make this Affidavit in support of an application for the appointment of Ernst & Young as Receiver-Manager of Careadon.

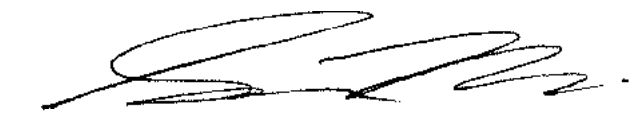
SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta, this 25 day of June, 2023.

A COMMISSIONER FOR OATHS in and for the Province of Alberta

DANEKA PUECH

SPENCER NORRIS
BARRISTER & SOLICITOR

This is **Exhibit "A"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25th day of June, 2023



A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

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

Date of Search: 2023/04/24
Time of Search: 01:19 PM
Search provided by: MILLER THOMSON LLP- EDMONTON
Service Request Number: 39605384
Customer Reference Number: New SDN

Corporate Access Number: 2019115274
Business Number: 810635326
Legal Entity Name: CAREADON CORP.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2015/07/28 YYYY/MM/DD

Registered Office:
Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:
Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN		3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: HODGSON

First Name: TERRY
Street/Box Number: 166 WESTRIDGE ROAD
City: EDMONTON
Province: ALBERTA
Postal Code: T5T1B8

Voting Shareholders:

Legal Entity Name: 1978753 ALBERTA LTD.
Corporate Access Number: 2019787536
Street: 166 WESTRIDGE ROAD NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5T1B8
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SEE SCHEDULE "A" ATTACHED HERETO.
Share Transfers Restrictions:	THE RIGHT TO TRANSFER SHARES IS RESTRICTED IN THAT NO SHARES MAY BE TRANSERRED WITHOUT THE APPROVAL OF THE DIRECTORS OF THE CORPORATION.
Min Number Of Directors:	1
Max Number Of Directors:	11
Business Restricted To:	NO RESTRICTIONS.
Business Restricted From:	NO RESTRICTIONS.
Other Provisions:	SEE SCHEDULE "B" ATTACHED HERETO.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/06/20

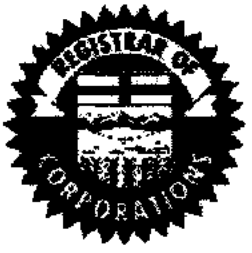
Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/07/28	Incorporate Alberta Corporation
2016/12/15	Change Address
2020/02/22	Update BN
2021/10/21	Change Agent for Service
2022/06/20	Enter Annual Returns for Alberta and Extra-Provincial Corp.

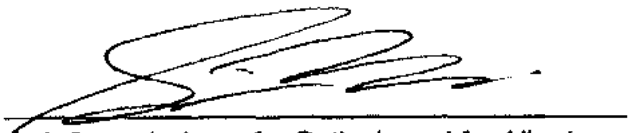
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2015/07/28
Other Rules or Provisions	ELECTRONIC	2015/07/28

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



This is **Exhibit "B"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 29 day of June, 2023



A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0037 310 951	1623283;1;4A	162 250 971

LEGAL DESCRIPTION

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

ATS REFERENCE: 4;25;54;30;RL
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF ST. ALBERT

REFERENCE NUMBER: 152 356 496 +1
152 356 496

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
162 250 971	10/09/2016	DESCRIPTIVE PLAN		

OWNERS

CAREADON CORP.
OF 166 WESTRIDGE RD
EDMONTON
ALBERTA T5T 1B8

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
122 205 468	27/06/2012	CAVEAT RE : EASEMENT " AFFECTS PART OF THIS TITLE "
152 356 497	17/11/2015	MORTGAGE MORTGAGEE - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		EDMONTON ALBERTA T5L4M8 ORIGINAL PRINCIPAL AMOUNT: $30,000,000
152 356 498	17/11/2015	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW EDMONTON ALBERTA T5L4M8 AGENT - BRUCE G NEILL
192 050 766	04/03/2019	AMENDING AGREEMENT AMOUNT: $37,835,000 AFFECTS INSTRUMENT: 152356497
192 066 688	20/03/2019	CAVEAT RE : ACCESS CAVEATOR - CAREADON CORP. 3200, 10180 101 STREET NW EDMONTON ALBERTA T5J3W8
192 184 984	06/08/2019	AMENDING AGREEMENT AMOUNT: $45,475,000 AFFECTS INSTRUMENT: 152356497
192 304 464	16/12/2019	AMENDING AGREEMENT AMOUNT: $51,548,170 AFFECTS INSTRUMENT: 152356497
212 131 361	14/06/2021	MORTGAGE MORTGAGEE - HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO ONTARIO M5C2C5 ORIGINAL PRINCIPAL AMOUNT: $18,700,000
212 131 362	14/06/2021	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HMT HOLDINGS INC. SUITE 500, 36 TORONTO STREET TORONTO ONTARIO M5C2C5 AGENT - ERIC P VAILLANT
212 131 363	14/06/2021	POSTPONEMENT OF MORT 152356497 CAVE 152356498 AMEA 192050766 AMEA 192184984 AMEA 192304464

(CONTINUED)

REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS

TO MORT 212131361 CAVE 212131362

212 131 364 14/06/2021 AMENDING AGREEMENT
AFFECTS INSTRUMENT: 152356497

222 151 931 07/07/2022 AMENDING AGREEMENT
AMOUNT: $65,000,000
AFFECTS INSTRUMENT: 152356497

232 143 913 06/05/2023 CONSTRUCTION LIEN
LIENOR - NORDIC MECHANICAL SERVICES LTD.
C/O KIRWIN LLP
100, 12420-104 AVE NW
EDMONTON
ALBERTA T5N3Z9
AGENT - ANASTASIYA BILOVODSKA
AMOUNT: $28,255
DATE RECEIVED: MARCH 7, 2023

TOTAL INSTRUMENTS: 013

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 15 DAY OF JUNE, 2023 AT 01:20 P.M.

ORDER NUMBER: 47528737

CUSTOMER FILE NUMBER: 272633.3SN

END OF CERTIFICATE

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

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

This is **Exhibit "C"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

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

Date of Search: 2023/04/24
Time of Search: 01:24 PM
Search provided by: MILLER THOMSON LLP- EDMONTON
Service Request Number: 39605498
Customer Reference Number: New SDN

Corporate Access Number: 2019787536
Business Number: 744371097
Legal Entity Name: 1978753 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2016/06/30 YYYY/MM/DD

Registered Office:
Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:
Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: HODGSON
First Name: TERENCE

Middle Name: B
Street/Box Number: 166 WESTRIDGE ROAD
City: EDMONTON
Province: ALBERTA
Postal Code: T5T1B8

Voting Shareholders:

Last Name: ALDER INVESTMENT GROUP TRUST 2016 BY ITS TRUSTEE TERENCE HODGSON
Street: 166 WESTRDIGE ROAD
City: EDMONTON
Province: ALBERTA
Postal Code: T5T1B8
Percent Of Voting Shares: 98.66

Last Name: BOYCHUCK
First Name: MILA
Street: 166 WESTRIDGE ROAD
City: EDMONTON
Province: ALBERTA
Postal Code: T5T1B8
Percent Of Voting Shares: .335

Last Name: HODGSON
First Name: LINDSAY
Street: 78 GREENBURY BLVD.
City: SPRUCE GROVE
Province: ALBERTA
Postal Code: T7X0M4
Percent Of Voting Shares: .335

Last Name: MCQUAIG
First Name: JENNIFER
Street: 662 PERIDOT COURT
City: KELOWNA
Province: BRITISH COLUMBIA
Postal Code: V1W5E7
Percent Of Voting Shares: .335

Last Name: PARKER
First Name: SUZANNE
Street: 166 WESTRIDGE ROAD
City: EDMONTON
Province: ALBERTA

Postal Code: T5T1B8
Percent Of Voting Shares: .335

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SEE ATTACHED SCHEDULE
Share Transfers Restrictions:	SHARE TRANSFERS SHALL BE SUBJECT TO THE TERMS OF ANY UNANIMOUS SHAREHOLDERS AGREEMENT AND SUBJECT TO THE APPROVAL OF THE BOARD OF DIRECTORS.
Min Number Of Directors:	1
Max Number Of Directors:	12
Business Restricted To:	THERE ARE NO RESTRICTIONS ON THE BUSINESS THE CORPORATION MAY CARRY ON.
Business Restricted From:	THERE ARE NO RESTRICTIONS ON THE BUSINESS THE CORPORATION MAY CARRY ON.
Other Provisions:	THE LIABILITY OF THE MEMBERS IS LIMITED.

Holding Shares In:

Legal Entity Name
KOTA CONTRACTING INC.
A-ROD PLUMBING & GAS INC.
CAREADON CORP.
CAREADON VILLAGE INGLEWOOD INC.
CAREADON TRUST INC.
ARTISAN RESIDENCES LTD.
CHALTON HOTEL (ST ALBERT) LTD.
CITIPORT DEVELOPMENTS LTD.
2067148 ALBERTA LTD.
2104249 ALBERTA LTD.
2146316 ALBERTA LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/06/07

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2016/06/30	Incorporate Alberta Corporation
2016/12/16	Change Address
2018/12/19	Name/Structure Change Alberta Corporation
2019/01/10	Service Provider Correct Legal Entity
2020/02/22	Update BN
2022/03/14	Change Agent for Service
2022/06/07	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2016/06/30
Share Structure	ELECTRONIC	2016/08/24
Consolidation, Split, Exchange	ELECTRONIC	2018/12/19

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

This is **Exhibit "D"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

June 23, 2015

EMAILED: thodgson@kotacontracting.com
tbhodgson@telus.net

New Company to be Incorporated
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: First Mortgage Construction Loan on a Residential Development
Located in St. Albert, Alberta (hereinafter the "Project")

Further to our recent discussions, please be advised that a first mortgage loan has been formally approved on the above noted property on the following terms and conditions:

A. **LOAN:**

Borrower:

New Company to be Incorporated

Amount of Loan:

80.00% of Lender approved costs, supported by verifiable invoices to a maximum amount of $30,000,000.00.

Rate of Interest:

8.00% per annum compounded semi-annually.

Term:

3 years; cannot exceed 3 years from the date the mortgage documents are signed.

Interest Adjustment Date:

Date of Advancement of Funds

Amortization:

25 years

Repayment:

Equal monthly instalments consisting of principal and interest in the amount of $228,964.20 due the first (1st) of each month commencing July 1, 2017.

Any mortgage payment or lump sum payment (prepayment(s) being subject to the Prepayment Privilege clause below) received at our office prior to 11:00 A.M. will be processed that same day. Any payment received after 11:00 A.M. will be processed the next business day. Payments are to be made by automatic debit.

Prepayment Privilege:

Open to full and partial prepayment, without bonus or penalty. A minimum lump sum payment will be required for the Lender to partially discharge the mortgage in regard to a condominium unit. The lump sum payment will be based on the mortgage amount outstanding divided by the number of units to be built. If only one Phase is completed, the number of units is based on the units in Phase 1.

Draws:

Funds are to be advanced on a percent completion basis subject to a ten (10.00%) percent holdback on each draw.

Completion percentage is to be established by proof of funds being spent with supporting invoices and by physical inspection of the property by the Lender. Funds at each draw will be utilized to pay all accrued interest to date of the draw, all legal fees to date of the draw and any other fees owing at the date of the draw. The ten (10.00%) percent holdback will not be released until a full forty-five (45) days have elapsed from the date of the prior advance.

B. MORTGAGE AND OTHER SECURITY:

1. $30,000,000.00 first mortgage on the property legally described as Plan 0726888, Block 1, Lot 4 and Plan 8222568, Lot 1 (hereinafter the "Property").

2. An assignment of rents and leases second only to the above noted first mortgage. You will not grant an assignment of rental or specific leases to any subsequent creditor unless the subsequent creditor acknowledges the priority of our

assignment as aforesaid. In the event of default on this lease agreement by either party, UMC Financial Management Inc. shall be given immediate notice by the party noting the other in default.

3. A blanket standard mortgage clause payable firstly to the mortgagee of fire insurance in the amount of $30,000,000.00. Such insurance to contain no coinsurance without the Lender's prior written consent.

4. Guarantee of Alder Investment Group a Trust in the amount of $30,000,000.00, plus any accrued interest and expenses.

5. A General Security Agreement, registered as a first charge at Personal Property Registry, granted by the New Company to be Incorporated.

6. Irrevocable undertaking by Alder Investment Group a Trust to make the monthly payments as outlined on page 2 of this commitment letter.

7. Title Insurance – at the borrowers expense title insurance for the mortgaged property will be obtained through First Canadian Title.

8. A condition of the loan is that there is to be no subsequent financing charges on the property described in B1, with the exception of the financing charge by Alder Investment Group a Trust.

C. CONDITIONS PRECEDENT TO DISBURSEMENT OF FUNDS:

Conditions precedent to the disbursement of funds shall include:

1. Zoning, Use and Compliance

Prior to the disbursement of funds for the construction of the project (with the exception of the foundations, which will require a foundation permit) the Lender will require evidence of development and building permits, as well as of compliance with all planning, zoning, fire, building and other laws and regulations as may be required by the municipality and any other government body having any jurisdiction over the project.

We shall require evidence that the lands are zoned for these developments and that building permits have been obtained for the construction of the said buildings. Copies of the above shall be provided to the Lender prior to the disbursement of funds.

It is understood that it is a condition of the disbursement of funds that the land, building, and plan complies with all Planning Act provisions and governmental and regulatory authorities and there shall be no other work orders or notices of deficiencies whatsoever against the property. This compliance must be provided to UMC Financial Management Inc. prior to the disbursement of funds.

2. Taxes

All outstanding taxes and/or land leases, assessments and other sums, charged or levied against the lands shall be paid by you prior to or at the time that advances are made or we shall be at liberty to deduct such amounts from any advances made.

We require that the Lender be furnished with tax receipts showing that all taxes have been paid on each property sixty (60) days after the tax due date each year.

If the borrower fails to pay the municipal taxes, levies and charges when due, the Lender may pay such taxes, levies or charges which may be charged against the property and all sums expended by the Lender will be repaid by the Lender forthwith, and will be a charge upon the property and will bear interest at a rate of 8.00% per annum half yearly not in advance calculated from the date of the advance or expenditure by the Lender. Alternatively, if the borrower fails to pay the municipal taxes, levies and charges when due and the Lender opts to pay the same, then those sums expended or incurred by the Lender, whether such sums are incurred with or without the knowledge, consent, concurrence or otherwise of the borrower will be added to the principal amount of the loan secured by the mortgage herein and will be a charge on the property and will bear interest at a rate of 8.00% per annum compounded semi-annually not in advance, calculated from the date of the advance or expenditure by the Lender, and all such monies expended or advanced by the Lender will be added to and form part of the principal sum as set out hereinbefore and the hereinbefore repayment provisions will increase to reflect the additional expenditure or advance by the Lender.

3. Building Plans and Specifications

Receipt of a copy of the building plans and specifications, which are to be to the satisfaction of the Lender.

4. Construction Standards

Receipt of a copy of the building inspections by the local authorities that confirm the construction meets the local construction standards.

5. Property Insurance

The borrower will arrange for fire insurance coverage and keep insured the project and all insurable value from time to time forming part of the mortgaged premises, on the following basis:

Insurance for the full insurable value of the property will be carried, but in no event for less than $30,000,000.00.

a) Substance and form of the policy must be acceptable to us, as must the insuring company or companies and provide the equivalent coverage of the Standard IAO Commercial Building Form.

b) These endorsements must form part of the policy:

   i) All risks coverage
   ii) Replacement cost endorsement with same site provisions removed

c) Our own mortgage clause or the Standard Industry Approved Clause Form IBC 3000, must be appended to the policy and the Loss Payable Clause must show us as mortgagee. The mailing address to be used on this policy will be UMC Financial Management Inc., Suite 201, UMC Centre, 14020 – 128 Avenue, Edmonton, Alberta, T5L 4M8.

The Lender is to be in receipt of the insurance on the property each year, one (1) week prior to expiry, showing that the property is bound. If the Lender is not in receipt of insurance on the expiry date, the Lender will have the property insured at the full expense of the borrower.

6. Lender to receive a copy of the new development permit for the construction of 152 or more condominium units prior to the second advance.

7. General Liability Insurance

The borrower is to hold on the property comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of $2,000,000.00 per occurrence, written on an inclusive basis.

The Lender is to be in receipt of the insurance on the property each year, one (1) week prior to expiry, showing that the property is bound. If the Lender is not in receipt of insurance on the expiry date, the Lender will have the property insured at the full expense of the borrower.

8. Boiler Insurance
(If applicable)

Upon completion of the project, the borrower will insure and keep insured in respect to insurable property from time to time forming part of the mortgage premises, Boiler and Machinery Insurance, which shall cover, subject to the standard comprehensive wording, any boiler, any fired vessel, any metal unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning system or any piping and its accessory equipment and any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clause, are to provide for thirty (30) days' notice of cancellation to UMC Financial Management Inc.

9. Voided Cheque

The Lender is in receipt of a voided cheque to establish the automatic debit of payments.

10. Funding

All advances under this loan shall be at the sole discretion of the Lender.

11. The first advance during construction to facilitate the purchase of the property may be made upon title proving acceptable to the Lender and our solicitors, and upon registration of the security documents required, and upon receipt from our solicitors of a satisfactory report on registration of the security documents and confirmation from our solicitors of no adverse filings concerning the borrower in any ministry, department or agency of government which, in our solicitors opinion could affect the security or priority of the mortgage and upon fulfilment of all other terms and conditions of this commitment.

12. Receipt of a satisfactory Level I Environmental Audit.

13. Directors' Resolution

The borrower shall provide to the Lender, prior to the disbursement of funds, a copy of the directors' resolution of the borrowing company. Should the directors of the borrowing company change during the term of the loan, a revised copy of the directors' resolution will be provided to the Lender.

D. SOLICITORS:

UMC Financial Management Inc.'s solicitors shall be used to draw the security documentation and any other documents related to this transaction and to disburse advances, and all investigation and registrations shall be to the satisfaction of us and our solicitors prior to each advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

After funds have been advanced, the borrower shall continue to be responsible for all professional fees incurred such as legal, appraisal, inspection, environmental, or other services required by the Lender. The legal services shall include, but not be limited to, renewals, amendments, discharges or foreclosure. Professional fees shall include all costs of UMC Financial Management Inc. in administering the loan in the event of default including time, travel and expense.

For this transaction, Bruce G. Neill Professional Corporation has been selected as solicitor for UMC Financial Management Inc.

E. CANCELLATION OF COMMITMENT:

This commitment may be cancelled by the Lender, at its sole option, if:

1. Due to the failure, for any reason, of the borrower or any additional covenator, if any, to satisfy any of the provisions or requirements hereof, the Lender has not been willing or able to make a disbursement of the loan amount on or before August 18, 2015; or

2. The borrower is in breach of any provisions, representations, or warranties herein.

If the whole loan amount has not been disbursed on or before May 31, 2017 (the "Close Out Date") the Lender will at its sole option, close out the loan at the amount then disbursed, if any or charge a standby fee of 8.00% per annum compounded semi-annually on the remaining balance to be disbursed. This interest will be paid monthly.

F. **BORROWER'S REPRESENTATIONS AND WARRANTIES:**

1. If at any time before, during or after the advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to us by you or on your behalf concerning the project or your or the guarantor's financial condition and responsibility, then we shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by you within thirty (30) days of written notification from us, be entitled forthwith to withdraw and cancel our obligations hereunder or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be forthwith due and payable.

2. The property and the use and occupancy thereof and revenues therefrom are, and shall be at the time of each disbursement, authorized and in accordance with all applicable legislation and there are, and shall be at the time of each disbursement, no work orders or liens outstanding against the property.

3. The borrower hereby represents and warrants, that all taxes and source deductions required to be remitted by the borrower have been made, are currently up to date and that there are no outstanding arrears.

4. The borrower hereby represents and warrants to pay all taxes, assessments, source deductions and governmental charges when due, unless such are being contested in good faith and that the borrower has maintained appropriate reserves with funds set aside in a separate non-interest bearing trust fund to be held by the Lender on behalf of the borrower.

5. The borrower hereby acknowledges that the borrower, and any and all guarantors are responsible for any cost overruns on the project.

G. **MATERIAL CHANGE:**

It is a condition for the disbursement of funds that in the opinion of the Lender, the financial position of the borrowing companies and/or the guarantors, and the property given as security, and the borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the borrower has knowledge; and that no event shall have occurred which in the opinion of UMC Financial Management Inc. materially and adversely affects the value of the mortgaged property or any part thereof, or the financial position of any other covenators and guarantors.

H. FINANCIAL STATEMENTS:

The Lender is to be supplied, within ninety (90) days from the end of the fiscal year, with full financial statements (audited in the event of default) of the New Company to be Incorporated and Alder Investment Group a Trust and any other financial statements we may require, as determined by the Lender in its sole discretion.

These statements shall include sufficient detail to cover the operation of the project. The statements are to be prepared by a recognized firm of accountants and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules, and shall be no less than review engagements.

The borrower and guarantor hereby irrevocably authorizes and directs the borrower's and guarantor's accountant and book-keeper (collectively the "Accountant"), to deliver all financial statements and other financial information concerning the borrower and the guarantor to the Lender and agrees that the Lender and the Accountant may communicate directly with each other.

I. PROOF OF PAYMENT:

The borrower will remit all sums when due to tax and other governmental authorities, including without limitation any sums in respect of employee deductions, GST and Worker's Compensation Board, and upon request by the Lender the borrower will provide the Lender with such information and documentation in respect thereof as the Lender may reasonably require from time to time.

The borrower shall on an annual basis provide to the Lender satisfactory, as determined by the Lender acting reasonably, proof of payment of all sums when due to tax and other governmental authorities, including without limitation any sums in respect of employee deductions, GST and Worker's Compensation Board.

J. COMFORT LETTERS AND LETTERS OF GOOD STANDING:

The borrower will provide the Lender with Comfort Letters and Letter of Good Standing from the Canada Revenue Agency and the Government of Alberta or any other jurisdiction that the Lender requires, confirming that the borrower's GST, and Worker's Compensation Board accounts are in good standing.

K. CREDIT CHECKS:

The borrower hereby authorizes the Lender and the guarantors to conduct both personal and corporate credit checks, at the Lender's discretion, at any time while the loan is outstanding.

L. PROPERTY MANAGER:

The property is to be managed at all times by a property manager acceptable to UMC Financial Management Inc. UMC Financial Management Inc. may, at its sole discretion, appoint new property managers at the expense of the borrower, if in the opinion of UMC Financial Management Inc., the property is not being managed in a professional manner. Any change in the property manager without UMC Financial Management Inc.'s approval shall constitute default.

M. NONMERGER:

Your obligations as contained in this commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this letter) shall survive the executions and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and you agree that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of our mortgage and other security documentation shall be deemed to be incorporated in and form part of this commitment, except to the extent provided for in this letter. In the event of conflict, the terms of such mortgage and other security documentation and supporting documents shall prevail.

N. WAIVER:

The mortgagee's failure to insist upon a strict performance of any obligation or covenant of this commitment by the borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the mortgagee shall have the right to insist upon the strict performance by the mortgagor of any and all the terms and provisions of this commitment and the mortgage documentation.

O. MORTGAGE REGISTRATION:

It is understood, however, that neither the preparation nor the registration of any of the documents contemplated herein shall bind the mortgagee to advance the funds unless and until all the conditions, terms and provisions herein have been satisfied by the borrowers.

P. **EXPENSES:**

Whether or not the loan amount is disbursed, and notwithstanding retention of a commitment fee by the Lender, all of the Lender's costs and expenses relating to the administration of the loan, including legal costs and any costs and expenses incurred by the Lender including proceedings under the Bankruptcy and Insolvency Act relating to the borrower or any additional covenator, are the joint and several responsibility of and shall be paid by the borrower and each additional covenator, if any, who shall also be responsible for any commission or finder's fee. Such costs and expenses may be added to the then outstanding principal balance of the mortgage and shall bear interest at the interest rate under the mortgage.

Q. **NSF FEE:**

The borrower shall be required to pay to the Lender a charge, as established by the Lender from time to time, for any dishonoured or NSF item processed. The present charge for such an item is $125.00.

R. **SALE OF PROPERTY:**

Any change of ownership (beneficial or otherwise) control, transfer or sale of the property, or part thereof, without the Lender's prior written consent, which consent shall not unreasonably be withheld, shall at the discretion of the Lender, constitute a default under this loan and the loan shall become immediately due and payable. The Lender may require as one of the terms for giving consent that the purchaser shall execute an assumption agreement in favour of the Lender.

S. **FORCE MAJEURE:**

The times herein before specified for the taking of certain action by the borrower are in each case firm and in all respects of the essence and shall; not be extended without UMC Financial Management Inc.'s written approval. In the event of any delays caused by acts of God, war or other causes beyond the control of the borrower, the borrower shall forthwith notify UMC Financial Management Inc. of any such possible causes and UMC Financial Management Inc. shall not unreasonably withhold consent to any reasonable extension of time with respect to delays caused by such causes. It is understood, however, that UMC Financial Management Inc. shall not in any way be obligated to grant an extension for a period in excess of six (6) months.

T. **HAZARDOUS SUBSTANCES:**

The borrower warrants that no urea formaldehyde foam, asbestos, PCBs, radioactive materials, petroleum products or substances determined to be injurious to human life or health (hereinafter referred to as "Hazardous Substances") have been or will be used in the construction of the improvements or found in the soil of the property. The presence of hazardous substances will be considered as a default under the commitment and the mortgage. The borrower shall be liable for any and all costs, expenses, damages or liabilities (including, without limitation, reasonable attorneys' fees) directly or indirectly arising out of or attributable to the presence on, under or about the property of any hazardous substances and such liability shall survive foreclosure upon the security and any other extinguishing of the obligations of the borrower and/or the guarantors under the loan and any other exercise by the Lender of any remedies available to it against the borrower and/or the guarantors under the loan.

In addition, this warranty shall survive and shall remain in full force and effect regardless of any independent inspections, investigations and assessments which the Lender may conduct or cause to be conducted with respect to hazardous substances on, under or about the property.

U. **INTERPRETATION OF CONTRACT:**

This agreement shall be interpreted in accordance with the laws of The Province of Alberta and shall be treated in all respects as an Alberta contract.

V. **ASSIGNMENT OF COMMITMENT:**

The borrower shall not assign, transfer or otherwise deal or dispose of its rights hereunder without prior written approval of UMC Financial Management Inc.

W. **NOTICE:**

Any notice shall be sufficiently given if served personally, or if mailed by prepaid registered post addressed to us at the address shown on the face of this commitment, and in the case of the borrower at the address indicated in this letter and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed, upon the second postal date after it was mailed. Either party may designate in writing a substitute address for that set forth above, and thereafter notice shall be directed to such substituted address. In the event of a postal strike or interruption of mail service then all notices must be delivered to the address set out, or such other address as may have been designated.

X. SUCCESSORS AND ASSIGNS:

This commitment shall, subject to the provisions herein, enure to the benefit of, and be binding upon respective successors, administrators, benefactors, heirs and permitted assigns.

Y. CONDITIONS:

All conditions of the obligation of the Lender to make advances are imposed solely and exclusively for the benefit of the Lender and its assigns (and/or its investor client) and any or all of such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its sole discretion if it deems it advisable to do so. No single advance, either singularly or collectively, shall constitute a waiver of any of the borrower's obligations nor obligate the Lender to make further advances.

Z. ACKNOWLEDGMENT:

It is hereby acknowledged by the borrower that UMC Financial Management Inc. may be the Lender or may be acting for an investor client.

The borrower acknowledges that wherever UMC Financial Management Inc.'s approval is required it may also require the approval of an investor client or clients.

AA. LENDER'S SIGNAGE:

At UMC Financial Management Inc.'s request the borrower will erect a provided "Lender Sign" at UMC Financial Management Inc.'s cost, on a prominent site on the property indicating that UMC Financial Management Inc. is providing financing for the project.

BB. CONSENT:

The borrower and the guarantor hereby give consent to UMC Financial Management Inc. to both collect and provide to their investor clients, either directly or indirectly, any personal information that may be required in order for both UMC Financial Management Inc. and their investor clients to make a decision regarding the approval of this mortgage.

In addition, the borrower and guarantor hereby give consent to UMC Financial Management Inc. to provide their lawyer Bruce G. Neill Professional Corporation any personal information that may be required in the course of the preparation of security herein before referred to.

This consent shall stay in force and effect for the term of the mortgage, unless withdrawn, in writing.

CC. COUNTERPART:

This commitment letter may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

DD. USE:

The borrower hereby acknowledges that the current/intended use of the property described as Plan 0726888, Block 1, Lot 4 and Plan 8222568, Lot 1 is as a multi-family condominium residence.

For the duration of the term of the mortgage this use will not change from this use without the prior written consent of the Lender. In addition, at no time during the term of the mortgage will the property be used for any of the following uses or contain the following tenants, chattels; or equipment:

- Illegal uses as defined by current Albertan and/or Canadian Laws
- A facility that permits any type of gambling (for example, but not limited to: VLT's, bingo halls, race tracks)
- A liquor store
- Slum Housing
- A "cash-stop" or like operation

EE. PLACEMENT FEE:

The non-refundable placement fee due to UMC Financial Management Inc. for arranging this loan is $50,000.00, which is duly earned on acceptance of this commitment letter.

FF. ANNUAL REVIEW:

All loans are subject to review at any time, and in any event will be reviewed annually. The Lender's annual review will include, but not be limited to, a comprehensive review of the borrower's and the guarantor's financial statements, GST, Worker's Compensation Board and source deduction remittances, insurance policies and municipal tax payments. The Lender's annual review is scheduled for no later than ninety (90) days after the borrower's year end.

GG. **RENEWAL FEE:**

The borrower shall pay a renewal and inspection fee (to be determined at time of renewal) and all applicable expenses to renew the outstanding loan/mortgage.

Our commitment to make this loan will not become effective unless you acknowledge acceptance hereof and agree with all the terms and conditions by signing a copy of this letter accepting the terms and conditions and returning it to us prior to Noon, June 30, 2015, together with a cheque in the amount of $5,000.00, representing a portion of the non-refundable placement fee, with the remainder ($45,000.00) to be deducted from the first advance.

Yours very truly,

R.C. PUECH DANEKA-LEE PUECH

Enclosure

u:\umc mortgage (new)\alder investment group (30,000,000)\correspondence\alder investment group (30,000,000) - revised commitment letter - 062315.docx

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 23 day of June, 2015. We hereby accept the above terms and conditions.

NEW COMPANY TO BE INCORPORATED

Per: (seal)

As Guarantor:

ALDER INVESTMENT GROUP A TRUST

Per:

UMC
Financial Management Inc.

New Company to be Incorporated June 23, 2015

Name and address of solicitors:

Doug S. Murray Professional Corporation
147, 10403 – 122 Street
Edmonton, AB T5N 4C1

Attention: Mr. Doug Murray
Phone #: 780-732-3311
Email: doug@dsmurraylaw.com

Name and address of all of the directors of the borrowing company:

Name	Address

This is **Exhibit "E"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 29 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

47080025.1

security

UMC Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

June 16, 2017

EMAILED: thodgson@kotacontracting.com
tbhodgson@telus.net

Careadon Corp.
c/o Alder Investment Group A Trust
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Line of Credit Secured by a First Mortgage Loan on a Residential Development
Located in St. Albert, Alberta (hereinafter the "Project")

Further to our recent discussions, please be advised that a line of credit secured by a first mortgage loan has been formally approved on the above noted property on the following terms and conditions:

A. LOAN:

Borrower:

Careadon Corp.

Purpose:

The sole purpose of the line of credit is to be used to facilitate the lending of funds to the life lease tenants at the property noted in Section B (1), for the sole purpose of the tenants "purchasing" a life lease unit.

Amount of Loan:

Up to $15,000,000.00, based on the value of the life lease loans that are advanced

Rate of Interest:

A minimum rate of 6.00% per annum compounded semi-annually, based on Scotiabank's Prime Lending Rate currently being 2.70%. The interest rate will be set 30 days prior to the initial advance of funds based on Scotiabank's Prime Lending Rate plus 3.30%.

Term:

5 years; cannot exceed 5 years from the date of the first advance.

Interest Adjustment Date:

Date of Advancement of Funds

Amortization:

25 years

Repayment:

Equal monthly instalments consisting of principal and interest in the amount of $95,971.05 due the first (1st) of each month commencing ~~July 1, 2017~~.

Any mortgage payment or lump sum payment (prepayment(s) being subject to the Prepayment Privilege clause below) received at our office prior to 11:00 A.M. will be processed that same day. Any payment received after 11:00 A.M. will be processed the next business day. Payments are to be made by automatic debit.

Prepayment Privilege:

Open to full and partial prepayment, without bonus or penalty.

Initial Draws

Initial funding proceeds, when received from the life lease tenant to Careadon Corp. must be utilized to pay down the existing first mortgage from UMC Financial Management Inc.

B. **MORTGAGE AND OTHER SECURITY:**

1. $15,000,000.00 first mortgage on the property legally described as Plan 1623283, Block 1, Lot 4A (hereinafter the "Property").

2. An assignment of rents and leases second only to the above noted first mortgage. You will not grant an assignment of rental or specific leases to any subsequent creditor unless the subsequent creditor acknowledges the priority of our assignment as aforesaid. In the event of default on this lease agreement by either party, UMC Financial Management Inc. shall be given immediate notice by the party noting the other in default.

3. A blanket standard mortgage clause payable firstly to the mortgagee of fire insurance in the amount of $15,000,000.00. Such insurance to contain no coinsurance without the Lender's prior written consent.

4. Guarantee of Alder Investment Group a Trust in the amount of $15,000,000.00, plus any accrued interest and expenses.

5. A General Security Agreement, registered as a first charge at Personal Property Registry, granted by Careadon Corp.

6. Irrevocable undertaking by Alder Investment Group a Trust to make the monthly payments as outlined on page 2 of this commitment letter.

7. A condition of the loan is that there is to be no subsequent financing charges on the property described in B1, with the exception of the financing charge by Alder Investment Group a Trust, and the current first mortgage held by UMC Financial Management Inc. in the amount of $30,000,000.

8. Assignment of the individual promissory notes from each life lease tenant that is held as security for their loan.

C. <u>CONDITIONS PRECEDENT TO DISBURSEMENT OF FUNDS:</u>

Conditions precedent to the disbursement of funds shall include:

1. <u>Taxes</u>

All outstanding taxes and/or land leases, assessments and other sums, charged or levied against the lands shall be paid by you prior to or at the time that advances are made or we shall be at liberty to deduct such amounts from any advances made.

We require that the Lender be furnished with tax receipts showing that all taxes have been paid on each property sixty (60) days after the tax due date each year.

If the borrower fails to pay the municipal taxes, levies and charges when due, the Lender may pay such taxes, levies or charges which may be charged against the property and all sums expended by the Lender will be repaid by the Lender forthwith, and will be a charge upon the property and will bear interest at a rate of 8.00% per annum half yearly not in advance calculated from the date of the advance or expenditure by the Lender. Alternatively, if the borrower fails to pay the municipal taxes, levies and charges when due and the Lender opts to pay the same, then those sums expended or incurred by the Lender, whether such sums are incurred with or without the knowledge, consent, concurrence or otherwise of the borrower will be added to the principal amount of the loan secured by the mortgage herein and will be a charge on the property and will bear interest at a rate of 8.00% per annum compounded semi-annually not in advance, calculated from the date of the advance or expenditure by the Lender, and all such monies expended or advanced by the Lender will be added to and form part of the principal sum as set out hereinbefore and the hereinbefore repayment provisions will increase to reflect the additional expenditure or advance by the Lender.

2. Property Insurance

The borrower will arrange for fire insurance coverage and keep insured the project and all insurable value from time to time forming part of the mortgaged premises, on the following basis:

Insurance for the full insurable value of the property will be carried, but in no event for less than $15,000,000.00.

a) Substance and form of the policy must be acceptable to us, as must the insuring company or companies and provide the equivalent coverage of the Standard IAO Commercial Building Form.

b) These endorsements must form part of the policy:

   i) All risks coverage
   ii) Replacement cost endorsement with same site provisions removed

c) Our own mortgage clause or the Standard Industry Approved Clause Form IBC 3000, must be appended to the policy and the Loss Payable Clause must show us as mortgagee. The mailing address to be used on this policy will be UMC Financial Management Inc., Suite 201, UMC Centre, 14020 – 128 Avenue, Edmonton, Alberta, T5L 4M8.

The Lender is to be in receipt of the insurance on the property each year, one (1) week prior to expiry, showing that the property is bound. If the Lender is not in receipt of insurance on the expiry date, the Lender will have the property insured at the full expense of the borrower.

3. General Liability Insurance

The borrower is to hold on the property comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of $2,000,000.00 per occurrence, written on an inclusive basis.

The Lender is to be in receipt of the insurance on the property each year, one (1) week prior to expiry, showing that the property is bound. If the Lender is not in receipt of insurance on the expiry date, the Lender will have the property insured at the full expense of the borrower.

4. Boiler Insurance
(If applicable)

Upon completion of the project, the borrower will insure and keep insured in respect to insurable property from time to time forming part of the mortgage premises, Boiler and Machinery Insurance, which shall cover, subject to the standard comprehensive wording, any boiler, any fired vessel, any metal unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning system or any piping and its accessory equipment and any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clause, are to provide for thirty (30) days' notice of cancellation to UMC Financial Management Inc.

5. Voided Cheque

The Lender is in receipt of a voided cheque to establish the automatic debit of payments.

6. Funding

All advances under this loan shall be at the sole discretion of the Lender.

7. Directors' Resolution

The borrower shall provide to the Lender, prior to the disbursement of funds, a copy of the directors' resolution of the borrowing company. Should the directors of the borrowing company change during the term of the loan, a revised copy of the directors' resolution will be provided to the Lender.

8. Financial Statements

Receipt of the externally prepared full financial statements for the 2016 year end for Careadon Corp. and Alder Investment Group A Trust, which are to be to the Lender's satisfaction.

9. Confirmation of Trustees

Prior to the initial disbursement of funds, the Lender is to receive confirmation of the trustees from the borrower's lawyer for:

a) Alder Investment Group Trust 2016 by its trustee Terence Hodgson
b) Alder Investment Group A Trust

D. SOLICITORS:

UMC Financial Management Inc.'s solicitors shall be used to draw the security documentation and any other documents related to this transaction and to disburse advances, and all investigation and registrations shall be to the satisfaction of us and our solicitors prior to each advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

After funds have been advanced, the borrower shall continue to be responsible for all professional fees incurred such as legal, appraisal, inspection, environmental, or other services required by the Lender. The legal services shall include, but not be limited to, renewals, amendments, discharges or foreclosure. Professional fees shall include all costs of UMC Financial Management Inc. in administering the loan in the event of default including time, travel and expense.

The solicitor to be confirmed after all of

For this transaction, ~~Bruce G. Neill Professional Corporation~~ has been selected as solicitor for UMC Financial Management Inc. A solicitor will be chosen after all of obtaining 3 quotes.

E. CANCELLATION OF COMMITMENT:

This commitment may be cancelled by the Lender, at its sole option, if:

1. Due to the failure, for any reason, of the borrower or any additional covenantor, if any, to satisfy any of the provisions or requirements hereof, the Lender has not been willing or able to make a disbursement of the loan amount on or before June 30, 2019; or
2. The borrower is in breach of any provisions, representations, or warranties herein.

F. BORROWER'S REPRESENTATIONS AND WARRANTIES:

1. If at any time before, during or after the advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to us by you or on your behalf concerning the project or your or the guarantor's financial condition and responsibility, then we shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by you within thirty (30) days of written notification from us, be entitled forthwith to withdraw and cancel our obligations hereunder or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be forthwith due and payable.

2. The property and the use and occupancy thereof and revenues therefrom are, and shall be at the time of each disbursement, authorized and in accordance with all applicable legislation and there are, and shall be at the time of each disbursement, no work orders or liens outstanding against the property.

3. The borrower hereby represents and warrants, that all taxes and source deductions required to be remitted by the borrower have been made, are currently up to date and that there are no outstanding arrears.

4. The borrower hereby represents and warrants to pay all taxes, assessments, source deductions and governmental charges when due, unless such are being contested in good faith and that the borrower has maintained appropriate reserves with funds set aside in a separate non-interest bearing trust fund to be held by the Lender on behalf of the borrower.

5. The borrower hereby acknowledges that the borrower, and any and all guarantors are responsible for any cost overruns on the project.

G. MATERIAL CHANGE:

It is a condition for the disbursement of funds that in the opinion of the Lender, the financial position of the borrowing companies and/or the guarantors, and the property given as security, and the borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the borrower has knowledge; and that no event shall have occurred which in the opinion of UMC Financial Management Inc. materially and adversely affects the value of the mortgaged property or any part thereof, or the financial position of any other covenators and guarantors.

H. FINANCIAL STATEMENTS:

The Lender is to be supplied, within ninety (90) days from the end of the fiscal year, with full financial statements (audited in the event of default) of the New Company to be incorporated and Alder Investment Group a Trust and any other financial statements we may require, as determined by the Lender in its sole discretion.

These statements shall include sufficient detail to cover the operation of the project. The statements are to be prepared by a recognized firm of accountants and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules, and shall be no less than review engagements.

The borrower and guarantor hereby irrevocably authorizes and directs the borrower's and guarantor's accountant and book-keeper (collectively the "Accountant"), to deliver all financial statements and other financial information concerning the borrower and the guarantor to the Lender and agrees that the Lender and the Accountant may communicate directly with each other.

I. PROOF OF PAYMENT:

The borrower will remit all sums when due to tax and other governmental authorities, including without limitation any sums in respect of employee deductions, GST and Worker's Compensation Board, and upon request by the Lender the borrower will provide the Lender with such information and documentation in respect thereof as the Lender may reasonably require from time to time.

The borrower shall on an annual basis provide to the Lender satisfactory, as determined by the Lender acting reasonably, proof of payment of all sums when due to tax and other governmental authorities, including without limitation any sums in respect of employee deductions, GST and Worker's Compensation Board.

J. **COMFORT LETTERS AND LETTERS OF GOOD STANDING:**

The borrower will provide the Lender with Comfort Letters and Letter of Good Standing from the Canada Revenue Agency and the Government of Alberta or any other jurisdiction that the Lender requires, confirming that the borrower's GST, and Worker's Compensation Board accounts are in good standing.

K. **CREDIT CHECKS:**

The borrower hereby authorizes the Lender and the guarantors to conduct both personal and corporate credit checks, at the Lender's discretion, at any time while the loan is outstanding.

L. **PROPERTY MANAGER:**

The property is to be managed at all times by a property manager acceptable to UMC Financial Management Inc. UMC Financial Management Inc. may, at its sole discretion, appoint new property managers at the expense of the borrower, if in the opinion of UMC Financial Management Inc., the property is not being managed in a professional manner. Any change in the property manager without UMC Financial Management Inc.'s approval shall constitute default.

M. **NONMERGER:**

Your obligations as contained in this commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this letter) shall survive the executions and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and you agree that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of our mortgage and other security documentation shall be deemed to be incorporated in and form part of this commitment, except to the extent provided for in this letter. In the event of conflict, the terms of such mortgage and other security documentation and supporting documents shall prevail.

N. **WAIVER:**

The mortgagee's failure to insist upon a strict performance of any obligation or covenant of this commitment by the borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the mortgagee shall have the right to insist upon the strict performance by the mortgagor of any and all the terms and provisions of this commitment and the mortgage documentation.

O. MORTGAGE REGISTRATION:

It is understood, however, that neither the preparation nor the registration of any of the documents contemplated herein shall bind the mortgagee to advance the funds unless and until all the conditions, terms and provisions herein have been satisfied by the borrowers.

P. EXPENSES:

Whether or not the loan amount is disbursed, and notwithstanding retention of a commitment fee by the Lender, all of the Lender's costs and expenses relating to the administration of the loan, including legal costs and any costs and expenses incurred by the Lender including proceedings under the Bankruptcy and Insolvency Act relating to the borrower or any additional covenator, are the joint and several responsibility of and shall be paid by the borrower and each additional covenator, if any, who shall also be responsible for any commission or finder's fee. Such costs and expenses may be added to the then outstanding principal balance of the mortgage and shall bear interest at the interest rate under the mortgage.

Q. NSF FEE:

The borrower shall be required to pay to the Lender a charge, as established by the Lender from time to time, for any dishonoured or NSF item processed. The present charge for such an item is $125.00.

R. SALE OF PROPERTY:

Any change of ownership (beneficial or otherwise) control, transfer or sale of the property, or part thereof, without the Lender's prior written consent, which consent shall not unreasonably be withheld, shall at the discretion of the Lender, constitute a default under this loan and the loan shall become immediately due and payable. The Lender may require as one of the terms for giving consent that the purchaser shall execute an assumption agreement in favour of the Lender.

S. FORCE MAJEURE:

The times herein before specified for the taking of certain action by the borrower are in each case firm and in all respects of the essence and shall; not be extended without UMC Financial Management Inc.'s written approval. In the event of any delays caused by acts of God, war or other causes beyond the control of the borrower, the borrower shall forthwith notify UMC Financial Management Inc. of any such possible causes and UMC Financial Management Inc. shall not unreasonably withhold consent to any reasonable

extension of time with respect to delays caused by such causes. It is understood, however, that UMC Financial Management Inc. shall not in any way be obligated to grant an extension for a period in excess of six (6) months.

T. HAZARDOUS SUBSTANCES:

The borrower warrants that no urea formaldehyde foam, asbestos, PCBs, radioactive materials, petroleum products or substances determined to be injurious to human life or health (hereinafter referred to as "Hazardous Substances") have been or will be used in the construction of the improvements or found in the soil of the property. The presence of hazardous substances will be considered as a default under the commitment and the mortgage. The borrower shall be liable for any and all costs, expenses, damages or liabilities (including, without limitation, reasonable attorneys' fees) directly or indirectly arising out of or attributable to the presence on, under or about the property of any hazardous substances and such liability shall survive foreclosure upon the security and any other extinguishing of the obligations of the borrower and/or the guarantors under the loan and any other exercise by the Lender of any remedies available to it against the borrower and/or the guarantors under the loan.

In addition, this warranty shall survive and shall remain in full force and effect regardless of any independent inspections, investigations and assessments which the Lender may conduct or cause to be conducted with respect to hazardous substances on, under or about the property.

U. INTERPRETATION OF CONTRACT:

This agreement shall be interpreted in accordance with the laws of The Province of Alberta and shall be treated in all respects as an Alberta contract.

V. ASSIGNMENT OF COMMITMENT:

The borrower shall not assign, transfer or otherwise deal or dispose of its rights hereunder without prior written approval of UMC Financial Management Inc.

W. NOTICE:

Any notice shall be sufficiently given if served personally, or if mailed by prepaid registered post addressed to us at the address shown on the face of this commitment, and in the case of the borrower at the address indicated in this letter and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed, upon the second postal date after it was mailed. Either party may designate in writing a substitute address for that set forth above, and thereafter notice shall be directed to such

substituted address. In the event of a postal strike or interruption of mail service then all notices must be delivered to the address set out, or such other address as may have been designated.

X. SUCCESSORS AND ASSIGNS:

This commitment shall, subject to the provisions herein, enure to the benefit of, and be binding upon respective successors, administrators, benefactors, heirs and permitted assigns.

Y. CONDITIONS:

All conditions of the obligation of the Lender to make advances are imposed solely and exclusively for the benefit of the Lender and its assigns (and/or its investor client) and any or all of such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its sole discretion if it deems it advisable to do so. No single advance, either singularly or collectively, shall constitute a waiver of any of the borrower's obligations nor obligate the Lender to make further advances.

Z. ACKNOWLEDGMENT:

It is hereby acknowledged by the borrower that UMC Financial Management Inc. may be the Lender or may be acting for an investor client.

The borrower acknowledges that wherever UMC Financial Management Inc.'s approval is required it may also require the approval of an investor client or clients.

AA. LENDER'S SIGNAGE:

At UMC Financial Management Inc.'s request the borrower will erect a provided "Lender Sign" at UMC Financial Management Inc.'s cost, on a prominent site on the property indicating that UMC Financial Management Inc. is providing financing for the project.

BB. CONSENT:

The borrower and the guarantor hereby give consent to UMC Financial Management Inc. to both collect and provide to their investor clients, either directly or indirectly, any personal information that may be required in order for both UMC Financial Management Inc. and their investor clients to make a decision regarding the approval of this mortgage.

In addition, the borrower and guarantor hereby give consent to UMC Financial Management Inc. to provide their lawyer ~~Bruce G. Neill Professional Corporation~~ any personal information that may be required in the course of the preparation of security herein before referred to.

This consent shall stay in force and effect for the term of the mortgage, unless withdrawn, in writing.

CC. COUNTERPART:

This commitment letter may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

DD. USE:

The borrower hereby acknowledges that the current/intended use of the property described as Plan 1623283, Block 1, Lot 4A, is as a multi-family condominium residence.

For the duration of the term of the mortgage this use will not change from this use without the prior written consent of the Lender. In addition, at no time during the term of the mortgage will the property be used for any of the following uses or contain the following tenants, chattels; or equipment:

- Illegal uses as defined by current Albertan and/or Canadian Laws
- A facility that permits any type of gambling (for example, but not limited to: VLT's, bingo halls, race tracks)
- A liquor store
- Slum Housing
- A "cash-stop" or like operation

EE. PLACEMENT FEE:

The non-refundable placement fee due to UMC Financial Management Inc. for arranging this loan is $112,500.00, which is duly earned on acceptance of this commitment letter.

FF. ANNUAL REVIEW:

All loans are subject to review at any time, and in any event will be reviewed annually. The Lender's annual review will include, but not be limited to, a comprehensive review of the borrower's and the guarantor's financial statements, GST, Worker's Compensation

The Lender's annual review is scheduled for no later than ninety (90) days after the borrower's year end.

GG. **RENEWAL FEE:**

The borrower shall pay a renewal and inspection fee (to be determined at time of renewal) and all applicable expenses to renew the outstanding loan/mortgage.

Our commitment to make this loan will not become effective unless you acknowledge acceptance hereof and agree with all the terms and conditions by signing a copy of this letter accepting the terms and conditions and returning it to us prior to Noon, June 30, 2017, together with a cheque in the amount of $12,500.00, representing a portion of the non-refundable placement fee, with the remainder ($100,000.00) to be deducted from the first advance.

Each advance based on 0.75% of the advance amount. Once the full $15 million is advanced, any re-advance will be subject to a 0.75% re-advance fee.

Yours very truly,

CLÉMENT LAVOIE DANEKA-LEE PUECH

Enclosure

UMC
Financial Management Inc.

Careadon Corp. June 16, 2017

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 28 day of June, 2017. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantor:

ALDER INVESTMENT GROUP A TRUST

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. R. Allen Farmer, Q.C.
Phone #: 780-497-3360
Email: afarmer@rmrf.com

Name and address of all of the directors of the borrowing company:

Name	Address

This is **Exhibit "F"** *referred* to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

February 15, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Renewal and Amendment of $30,000,000.0 First Mortgage
On a Residential Building Located in St. Albert, Alberta

As you are aware, the above mentioned mortgage matured August 1, 2018. This letter will serve as confirmation that the aforementioned first mortgage will be renewed for an additional one (1) year to mature August 1, 2019, as well has been amended as follows:

Amount:	Increase from $30,000,000.00 to $37,835,000.00.
Fire Insurance:	Increased from $30,000,000.00 to $37,835,000.00.
Repayment:	Changed from $228,964.20 to $288,762.02 per month effective the month following the release of the final holdback.
Taxes:	This amendment letter is subject to confirmation that you have paid the property taxes for the fiscal years 2017 and 2018.
Title Insurance:	Changes as required.
Close Out Date:	Changed from May 31, 2017 to May 31, 2019. Holding fee outstanding for the period May 31, 2017 to February 15, 2019 is yet to be determined.
Guarantors:	1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be added as Corporate Guarantors, in the amount of $37,835,000.00 plus applicable accrued interest and expenses, and Alder Investments Group A Trust is to be removed as Guarantor upon lawyer providing verification that the Trust has been dissolved.

An amending agreement will be prepared to reflect the above.

UMC
Financial Management Inc.

Careadon Corp. February 15, 2019

Our fee to increase and to renew the loan from $30,000,000.00 to $37,835,000.00 will be $19,588.00, which is due and payable upon signing of this letter and will be deducod from the next advance. All terms and conditions of our June 23, 2015 commitment letter will stay in place.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by February 15, 2019.

Yours very truly,

DANIELA-LEE PUECH CLÉMENT LAVOIE

Enclosure

[illegible] mortgage/dollar investments group a trust ($30,000,000 st. alter)[illegible]mortgage/dollar investments group a trust ($30,000,000) - renewal and amendment letter - 021519 mg.docx

UMC
Financial Management Inc.

Carradon Corp.

February 15, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 15 day of February, 2019. We hereby accept the above terms and conditions.

CARRADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

2

This is **Exhibit "G"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 T 780-421-4141 F 780-429-0046 TF 1-888-862-7200

July 11, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Extension and Amendment of $37,835,000.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

As you are aware, the above mentioned mortgage will mature August 1, 2019. This letter will serve as confirmation that the aforementioned first mortgage will be extended for an additional six (6) months to mature February 1, 2020, as well has been amended as follows:

Amount:	Increased from $37,835,000.00 to $45,475,000.00
Fire Insurance:	Increased from $37,835,000.00 to $45,475,000.00
Repayment:	Changed from $288,762.02 to $347,071.57 per month effective the month following the release of the final holdback
Title Insurance:	Changes as required
Close Out Date:	Changed from May 31, 2019 to January 31, 2020. Holding fee outstanding for the period May 31, 2017 to June 26, 2019 is yet to be determined
Guarantors:	Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $37,835,000.00 to $45,475,000.00 plus applicable accrued interest and expenses.

An amending agreement will be prepared to reflect the above, with all fees to be paid by the borrower.

UMC
Financial Management Inc.

Careadon Corp. July 11, 2019

This extension and amendment is subject to receipt of the following, which are to be to the satisfaction of the lender:

1. Externally prepared financial statements for:

   a) Careadon Corp.
   b) Alder Investments Group Trust 2016
   c) 1978753 Alberta Ltd.

Our fee to increase and extend the loan from $37,835,000.00 to $45,475,000.00 will be $19,100.00, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter and February 15, 2019 amendment letter will stay in place.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by July 17, 2019.

Yours very truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

Enclosure

u:\umc mortgage\alder investments group a trust (30,000,000 st. albert)\correspondence\alder investments group a trust (30,000,000) - revised extension and amendment letter - 071119 mg.docx

UMC
Financial Management Inc.

Careadon Corp. July 11, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 11 day of July, 2019. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

This is **Exhibit "H"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 T 780-421-4141 F 780-429-0046 TF 1-888-862-7200

November 29, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Amendment of $45,475,000.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

This letter will serve as confirmation that the above stated mortgage has been amended as follows:

Amount:	Increased from $45,475,000.00 to $51,548,170.00
Fire Insurance:	Increased from $45,475,000.00 to $51,548,170.00
Repayment:	Changed from $347,071.57 to $393,422.85 per month effective the month following the release of the final holdback
Title Insurance:	Changes as required
Close Out Date:	Changed from January 31, 2019 to April 30, 2020. Holding fee outstanding for the period May 31, 2017 to June 26, 2019 is yet to be determined
Guarantors:	Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $45,475,000.00 to $51,548,170.00 plus applicable accrued interest and expenses.

An amending agreement will be prepared to reflect the above, with all fees to be paid by the borrower.

This amendment is subject to receipt of the following, which is to be to the satisfaction of the lender:

- Receipt of third-party confirmation of the value of the project.

UMC
Financial Management Inc.

Careadon Corp. November 29, 2019

Our fee to increase the loan from $45,475,000.00 to $51,548,170.00 will be $15,183.00, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter, February 15, 2019 amendment letter and July 11, 2019 amendment letter will stay in force and effect.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by November 29, 2019.

Yours very truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

Enclosure

u:\umc mortgage\alder investments group a trust (45,475,000 st. albert)\correspondence\alder investments group a trust (45,475,000) - amendment letter - 112919 mg.docx

UMC
Financial Management Inc.

Careadon Corp. November 29, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 29 day of November, 2019. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

This is **Exhibit "I"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

August 27, 2020

EMAILED: thodgson@kotacontracting.com

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: $51,548,170.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

Further to our letter of July 29, 2020, as you are aware, the above-mentioned mortgage matured on February 1, 2020. This letter will serve as confirmation that the aforementioned first mortgage will be extended to January 31, 2021.

All terms and conditions of our November 29, 2019 amendment letter, July 11, 2019 amendment letter, February 15, 2019 amendment letter, and June 23, 2015 commitment letter will stay in place.

Our fee for this extension will be $1,000.00 which is due and payable upon signing of this extension. It can be paid by EFT into account #00811-16 at Bank of Nova Scotia (institution #2), transit #90019. The name on the account is UMC Financial Management Inc. – General Account.

If you are in agreement with the above, please return one signed copy of this letter by August 31, 2020.

Yours truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

n:\umc mortgage\alder investments group a trust (51,548,170 formerly 45,475,000 st. albert)\correspondence\alder (51,548,170) - extension - 082720 mg.docx

UMC
Financial Management Inc.

Careadon Corp. August 27, 2020

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 27 day of August, 2020. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

This is **Exhibit "J"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 ▼ 780-421-4161 ▼ 780-429-0046 ▼ 1-888-862-7200

January 15, 2021

EMAILED: thodgson@kotacontracting.com

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Revised
$51,548,170.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

Further to our meetings and conversations regarding the above-mentioned mortgage and the Term Sheet received from Harbour Mortgage Corp. please be advised of the following:

UMC Financial Management Inc. (UMC) is willing to postpone their first mortgage to the $15 million Harbour Mortgage Corp. (HMC) mortgage on the following terms and conditions:

1. UMC to be in receipt of the Quantity Surveyor/Project Cost Consultant report which is to show what the costs to fully complete the project are, including an estimated timeline, those costs are not to exceed those outlined below.

2. The funds from HMC are to be used as follows:

Lender fee	$ 300,000.00
Broker fee	150,000.00
Interest reserve	1,800,000.00
Closing costs	10,000.00
Costs to complete – hard	6,590,759.00
Costs to complete – general conditions	116,416.00
Costs to complete – soft costs	1,031,129.00
Subtotal	9,998,304.00
Repay UMC	5,001,696.00
Total HMC Mortgage	$15,000,000.00

3. UMC to be granted the following additional security:

   A) Corporate guarantees from

   i. 2003596 Alberta Ltd.
   ii. 2067120 Alberta Ltd.
   iii. 1978753 Alberta Ltd.

   Note that the above corporate guarantees will each be released once each of their loans with UMC Financial Management Inc. is paid in full, including the first mortgage with Harbour Mortgage Corp. The exception is 1978753 Alberta Ltd. which is to be released once all mortgages outstanding are paid in full.

   B) $15,000,000 second collateral mortgage on the following properties:

   i. Plan 8021992, Block A, excepting Plan 8120054, 0220942, 1023737 and 1422567, also known as the St. Albert hotel lands
   ii. Plan 1524950, Block 6, Lot 11, Plan 1624064 Road 0.252 0.62, Plan 1524950, Block 7, Lot 12, St. Albert Settlement River Lot 16, Plan 8120891, Lot 1, also known as the Genstar lands

   C) The understanding that any default on any of the mortgages by any one of the guarantors or the Caredon Corp or Alder Investment Group Trust 2016 or any related company (either by shareholders or directors) currently that are held by UMC or any of its nominees constitutes a default of all of the mortgages held. Default is considered 2 or more consecutive missed mortgage payments without the prior written consent/agreement of UMC Financial Management Inc. As noted in our letter dated January 14, 2021, all mortgages currently held by UMC Financial Management Inc., or its nominee, have their mortgage payments postponed until October 1, 2021, subject to the written agreement of the borrower.

4. 1978753 Alberta Ltd. is to not sell and/or transfer their shares in 1097016 BC Ltd. and/or 2003595 Alberta Ltd. without the prior written consent of the UMC Financial Management Inc.

The fee for UMC Financial Management Inc. to amend and postpone the mortgage is $50,000.00 which is due and payable upon acceptance of this letter. All legal and professional fees pertaining to this amendment are to be borne by the borrower.

This is contingent upon UMC Financial Management coming to an agreement with Harbour Mortgage Corp. regarding their mortgage, and UMC's potential postponement of their mortgage.

UMC
Financial Management Inc.

Careadon Corp. January 15, 2021

If you are in agreement with the above, please return one signed copy of this letter by January 15, 2021.

Yours truly,

DANEKA-LEE PUECH CLEMENT LAVOIE

Enclosure

u:\alder mortgagefolder investment group a trust (51,548,170 formerly 45,475,889 st. albert)\correspondence\alder (51,548,170) - revised amendment - 01921.reg.docx

ACCEPTANCE:

Accepted at [illegible], Alberta, dated this 15 day of January, 2021. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____ (seal)

1097016 B.C. LTD.

Per: _____ (seal)

2003596 ALBERTA LTD

Per: _____ (seal)

2003595 ALBERTA LTD.

Per: _____ (seal)

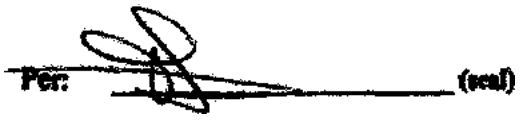
2067120 ALBERTA LTD.

Per: _____ (seal)

UMC
Financial Management Inc.

Careadon Corp. January 15, 2021

1978753 ALBERTA LTD.



Per: _____ (seal)

Name and address of solicitors:

Reynolds Mirth Richards
& Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

This is **Exhibit "K"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25th day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE EDMONTON AB T5L 4M8 ▼ 780-421-4141 ▼ 780-429-0046 ▼ 1-888-862-7200

January 15, 2021

EMAILED: thodgson@kotacontracting.com

Careadon Corp. et al
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Mortgage Payment Deferral on Various Mortgages

Further to our recent meeting, this will confirm our agreement, that the mortgage payments on the following mortgages are to be deferred until October 1, 2021. The payment amounts are to be confirmed by August 15, 2021. Until that date, the monthly interest is to be capitalized on each of the mortgages on the regular payment dates.

The above relates to the following mortgages:

1. Careadon Corp. – $51,548,170 first mortgage on Descriptive Plan 1623283, Block 1, Lot 4a also known as St. Albert Life Lease property

2. 1097016 BC Ltd. – $20,000,000 first mortgage on Plan EPP8620, Lot 1, Section 1, Township 26, ODYD (PID: 028-456-160) also known as the Kelowna property

3. 2003595 Alberta Ltd. – $4,739,200 first mortgage on Plan 4000R, Block 177, Lots 9 – 15, also known as the Knox property

4. 2003596 Alberta Ltd. – $2,200,000 first mortgage on Plan 8021992, Block A, excepting Plan 8120054, 0220942, 1023737 and 1422567, also known as the St. Albert hotel lands

5. 2067120 Alberta Ltd. – $9,489,600 first mortgage on Plan 1524950, Block 6, Lot 11, Plan 1624064 Road 0.252 0.62, Plan 1524950, Block 7, Lot 12, St. Albert Settlement River Lot 16, Plan 8120891, Lot 1, also known as the Genstar lands

UMC

Financial Management Inc.

Careadon Corp. et all January 15, 2021

If you are in agreement with the above, please sign one copy of this letter and return it to our office by January 15, 2021.

Yours truly,

DANEKA-LEE PUBCH

c:\umc mortgage\elder investments group a trust ($1,548,179 formerly 45,475,800 st. albert)\careadon\elder group and related companies - mortgage payment deferral - revision- 011521 mg.docx

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 15 day of January 2021. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

1097016 B.C. LTD.

Per: _____ (seal)

2003596 ALBERTA LTD

Per: _____ (seal)

2003595 ALBERTA LTD.

Per: _____ (seal)

2067120 ALBERTA LTD.

Per: _____ (seal)

UMC
Financial Management Inc.

Caredon Corp. et all

January 15, 2021

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____ (seal)

KOTA CONTRACTING LTD.

Per: _____ (seal)

This is **Exhibit "L"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 ▪ 780-421-4141 ▪ 780-429-0046 ▪ 1-888-862-7200

December 20, 2021

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: $51,548,170.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

As you are aware, the above-mentioned mortgage matured on January 31, 2021. This letter will serve as confirmation that the aforementioned first mortgage will be extended to ~~March 31~~, 2022.

All terms and conditions of our January 15, 2021 revision letter, August 27, 2020 extension letter, November 29, 2019 amendment letter, July 11, 2019 amendment letter, February 15, 2019 amendment letter, and June 23, 2015 commitment letter will stay in place, except for the following change;

Payments: Continue with payment deferral until maturity date of ~~March 31~~, 2022. If mortgage is not paid out by maturity date, minimum interest only payments are to commence as of April 1, 2022

Our fee for the extension will be $1,000.00 which is due and payable upon signing of this extension. Any and all legal fees related to this will be to the cost of the borrower.

Please note that we can accept your written authorization to withdraw the extension fee from your account. If authorized, please acknowledge and initial below.

☐ We hereby authorize the extension fee to be withdrawn from our bank account

Initial

Please return one signed copy of this letter by December 23, 2021.

If you have any questions regarding the above, please call our office.

Yours very truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

Enclosure

u:\umc mortgage\alder investments group a trust (51,548,170 formerly 45,475,000 st. albert)\correspondence\alder (51,548,170) - extension - 122021 mg.docx

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this _____ day of December, 2021. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5T 3W8

Attention: Mr. R. Allan Farmer, Q.C.
Phone #: 780-497-3360
Email: rfarmer@rmrf.com

UMC
Financial Management Inc.

Carendon Corp. December 20, 2021

Name and address of all of the directors of the borrowing company:

Name	Address
Terrence Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

This is **Exhibit "M"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

February 24, 2022

DELIVERED BY HAND

Careadon Corp., and
1097016 B.C. Ltd.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: $51,548,170.00 Mortgage on Residential Project in St. Albert, Alberta
And $20,000,000.00 Mortgage on Project in Kelowna, British Columbia

Further to our conversations regarding the above noted projects, and subsequent to the term sheet dated July 16, 2021, in regard to the St. Albert project that you received from Harbour Mortgage Corp., the following is our understanding:

- You need approximately $3.8 million in order to complete the St. Albert residential project (Careadon)
- The St. Albert residential project is estimated to be fully completed by the end May 2022
- You have revised your budget for the St. Albert project to reflect the change in the prices that you are experiencing. The total final revision is for an additional $4,000,000.
- You have $2 million cash that you can inject in the project

Based on the above we will be able to fund the estimated shortfall, estimated to be a maximum of $3,793,000.00, at our discretion, that is needed for the St. Albert project, subject to the following amendments on the above noted mortgages:

Amount:	Increase the existing second mortgage on the St. Albert property (known legally as Plan 0726888, Block 1, Lot 4 and Plan 8222568, Lot 1, from $51,548,170 to $65,000,000
Repayment:	Changed from $393,422.85 to $496,089.10 per month, effective the month following the release of the final holdback or October 1, 2022, whichever comes first
Title Insurance:	Changes as required

UMC

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

Guarantors: Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $51,548,170 to $65,000,000 plus applicable accrued interest and expenses.

Additional Security/Terms:

- Second mortgage on the Kelowna project, legally known as Plan EPP8620, Lot 1, Section 1, Township 26, ODYD (PID: 028-452-160) in the amount of $35 million (this is to cover the 1st mortgage that Harbour Mortgage put on the St. Albert project, the current overage of our mortgage balance on the approved mortgage amount and the amendment)

- Corporate guarantees of Kota Contracting Ltd., 2067120 Alberta Ltd., 1978753 Alberta Ltd. and 1097016 B.C. Ltd.

- The mortgage term will be renewed until December 31, 2022, upon which UMC is to be paid out in full on both Kelowna and St. Albert mortgages

This amendment is subject to receipt of the following, which is to be to the satisfaction of the Lender:

- Receipt of proof of a minimum $1,500,233.00 cash available to be injected in the project, $750,000.00 which is to be confirmed within 30 days and the remaining $750,233.00 to be confirmed by May 15, 2022
- Revised budget showing a shortfall of $5,293,223.00
- Revised timeline for the advances for the shortfall
- Timeline showing targeted deliverables for the project, showing a completion date of July 31, 2022
- Written confirmation from Harbour Mortgage Corp. that they will completely fund their mortgage in a timely manner, so to not put the project in St. Albert in jeopardy or cause it to fall behind due to lack of funds and non-payment to subcontractors and suppliers. In addition, written confirmation that they will fund on a percentage completion (based on the April, 2021 budget) as the project progresses

Our fee to increase the loan from $51,548,170 to $65,000,000 will be $55,000.00, plus a site inspection fee of $1,250.00 plus GST for each draw, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter, February 15, 2019 amendment letter, July 11, 2019 amendment letter, November 29, 2019 and January 15, 2021 amendment (postponement) letter will stay in force and effect.

UMC

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by February 28, 2022.

Yours very truly,

DANEKA PUECH

CLÉMENT LAVOIE

u:\umc mortgage\alder investments group a trust (51,548,170 formerly 45,475,000 st. albert)\correspondence\alder investments group a trust - 1097016 bc proposed 2 million amendment - 022322 mg.docx

UMC

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 24 day of February 2022. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____

1978753 ALBERTA LTD.

Per: _____

KOTA CONTRACTING LTD.

Per: _____

2067120 ALBERTA LTD.

Per: _____

1097016 B.C. LTD.

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5T 3W8

Attention: Mr. R. Allan Farmer, Q.C.
Phone #: 780-497-3360
Email: rfarmer@rmrf.com

This is **Exhibit "N"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

April 4, 2023

EMAILED: thodgson@kotacontracting.com

Careadon Corp.
c/o Alder Investment Group
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Careadon Corp./Alder Investments Group
$45,000,000.00 First Mortgage - On Land and Building Located in St. Albert, Alberta
$35,000,000.00 Second Mortgage - On Land Development in Kelowna, British Columbia

Further to our recent conversations, the following outlines the terms and conditions of us advancing an additional $79,786.04 for March payroll in regard to the above noted mortgage:

1. The funds will be advanced to our lawyer, who in turn forward them to Reynolds Mirth Richards & Farmers LLP as per previous draws.

2. The funds will be secured by a Promissory Note signed by Careadon Corp. as additional security under the mortgage.

3. The funds advanced will bear interest at 8.00% compounded semi-annually to match the existing funds advanced under the mortgage.

4. All legal fees for this matter will be paid by the borrower.

5. The fee for the advance (EFT Fee) will be $125.00, payable on the date of the advance of the funds.

6. Our fee for this transaction will be $1,000.00, which is due and payable upon signing of this letter.

7. All other terms and conditions of the mortgage remain in full force and effect.

UMC
Financial Management Inc.

Careadon Corp. April 4, 2023

If you are in agreement with the above, please signify your acceptance by signing one copy of this letter and returning it to our office by noon on April 7, 2023.

Yours very truly,

DANEKA PUECH CLEMENT LAVOIE

Enclosure

u:\ums mortgage\alder investments group a trust (65,000,000 formerly 51,348,170 formerly 45,475,000 st. albert)\correspondence\careadon corp alder investment group - additional funds letter (1) - 04042023 pm.docx

ACCEPTANCE:

Accepted at St. Albert, Alberta, dated this 4 day of April, 2023. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ C/S

As Guarantors:

ALDER INVESTMENTS GROUP TRUST 2016

Per: _____

1978753 Alberta Ltd.

Per: _____

This is **Exhibit "O"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

UMC Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

April 11, 2023

EMAILED: thodgson@kotacontracting.com

Careadon Corp.
c/o Alder Investment Group
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Careadon Corp./Alder Investments Group
$65,000,000.00 First Mortgage - On Land and Building Located in St. Albert, Alberta
$35,000,000.00 Second Mortgage - On Land Development in Kelowna, British Columbia

Further to our recent conversations, the following outlines the terms and conditions of us advancing an additional $410,212.22 (plus legal fees and our fees, as outlined below) for the insurance lump sum and first payment in regard to the above noted mortgage. In addition, in a separate letter, we will outline the additional/amendment to the security currently held on the above noted mortgage:

1. The funds will be advanced to our lawyer, who in turn forward them to Reynolds Mirth Richards & Farmers LLP who in turn will fund them directly to Bulger Insurance.

2. The funds will be secured by a Promissory Note signed by Careadon Corp. as additional security under the mortgage.

3. The funds advanced will bear interest at 8.00% compounded semi-annually to match the existing funds advanced under the mortgage.

4. All legal fees for this matter will be paid by the borrower.

5. The fee for the advance (EFT Fee) will be $125.00, payable on the date of the advance of the funds.

6. Our fee for this transaction will be $5,127.65, which is due and payable upon signing of this letter.

UMC
Financial Management Inc.

7. All other terms and conditions of the mortgage remain in full force and effect.

If you are in agreement with the above, please signify your acceptance by signing one copy of this letter and returning it to our office by noon on April 11, 2023.

Yours very truly,

DANEKA PUECH

CLEMENT LAVOIE

Enclosure

n:\umc mortgage\alder investments group a trust (65,000,000 formerly 51,545,170 formerly 45,475,000 st. albert)\correspondence\careadon corp alder investment group - insurance additional funds - lump sum - 041123 -dlp.docx

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 11th day of April, 2023. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ C/S

As Guarantors:

ALDER INVESTMENTS GROUP TRUST 2016

Per: _____

1978753 Alberta Ltd.

Per: _____

This is **Exhibit "P"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **1978753 ALBERTA LTD.**, presently of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.**, of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and

no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you

see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has caused its corporate seal to be hereunto affixed and these presence to be signed by its proper officers duly authorized in that behalf this 21 day of FEBRUARY, 2019.

1978753 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

1978753 ALBERTA LTD. ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secure the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the President of the Guarantor (under the Corporate Seal where required) be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Director believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 22 day of FEBRUARY, 2019.

DIRECTORS:

TERENCE B. HODGSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Director of the Guarantor in accordance with the Guarantor's By-laws, constating documents, any Unanimous Shareholders Agreements made by the Shareholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or By-Laws of the Guarantor or in any Unanimous Shareholder Agreement which restrict or limit the powers of the Guarantor or its directors to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Director, Officer, or committee of Directors.

CERTIFIED this _____ day of FEBRUARY, 2019, as witness, where required by law, under the corporate seal of the Guarantor.

TERENCE B. HODGSON

(AFFIX CORPORATE SEAL)

GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **1978763 ALBERTA LTD.**, presently of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.**, of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and

no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you

see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has caused its corporate seal to be hereunto affixed and these presence to be signed by its proper officers duly authorized in that behalf this 18 day of JULY, 2019.

1978753 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

1978753 ALBERTA LTD. ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secure the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the President of the Guarantor (under the Corporate Seal where required) be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Director believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 19 day of JULY, 2019.

DIRECTORS:

TERENCE B. HODGSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Director of the Guarantor in accordance with the Guarantor's By-laws, constating documents, any Unanimous Shareholders Agreements made by the Shareholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or By-Laws of the Guarantor or in any Unanimous Shareholder Agreement which restrict or limit the powers of the Guarantor or its directors to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Director, Officer, or committee of Directors.

CERTIFIED this 19 day of JULY, 2019, as witness, where required by law, under the corporate seal of the Guarantor.

TERENCE B. HODGSON

(AFFIX CORPORATE SEAL)

GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **1978753 ALBERTA LTD.**, presently of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.**, of the City of Edmonton, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and

no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you

see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has caused its corporate seal to be hereunto affixed and these presence to be signed by its proper officers duly authorized in that behalf this 3 day of DECEMBER, 2019.

1978753 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

1978753 ALBERTA LTD. ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secure the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the President of the Guarantor (under the Corporate Seal where required) be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Director believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 3 day of DECEMBER, 2019.

DIRECTORS:

TERENCE B. HODGSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Director of the Guarantor in accordance with the Guarantor's By-laws, constating documents, any Unanimous Shareholders Agreements made by the Shareholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or By-Laws of the Guarantor or in any Unanimous Shareholder Agreement which restrict or limit the powers of the Guarantor or its directors to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Director, Officer, or committee of Directors.

CERTIFIED this 3 day of DECEMBER, 2019, as witness, where required by law, under the corporate seal of the Guarantor.

TERENCE J. HODGSON

(AFFIX CORPORATE SEAL)

GUARANTEE AND INDEMNITY AGREEMENT

This Guarantee Agreement made and effective April 6, 2021 (the "Effective Date")

GIVEN BY: **1978753 ALBERTA LTD. (the "Guarantor")**

Of 166 Westridge Road, Edmonton, AB T5T 1B8

TO: **UMC FINANCIAL MANAGEMENT INC. (the "Lender")**

Of Suite 201, 14020-128 Ave NW, Edmonton, AB T5L 4M8

REGARDING: **Careadon Corp. (the "Borrower")**

WHEREAS:

A. The Lender has made certain loans or credit facilities (the "Facilities") available to the Borrower, and the Borrower has borrowed from, and is indebted to, the Lender under the Facilities;

B. To induce the Lender to subordinate its security in relation to the Facilities and to modify the payment obligations of the Borrower thereunder, and as a condition of the Lender agreeing to same, the Guarantor agreed to enter into this Guarantee Agreement,

FOR VALUE RECEIVED and intending to be legally bound by this Agreement, the Guarantor agrees as follows:

1. INTERPRETATION

1.1 Capitalized Terms

In this Guarantee Agreement, except where the context otherwise requires, capitalized terms that are used and not otherwise defined have the meanings defined in the Facilities, and:

(a) **"Event of Default"** means the occurrence of (i) the failure of the Borrower to pay any of its Obligations when due, or (ii) any other default by the Borrower under the terms of the Facilities or any agreements or security in relation thereto, or (iii) any demand for payment or performance validly made by the Lender to the Borrower pursuant to the Facilities or any agreements or security in relation thereto and that is not met in accordance with the terms of the demand or within any applicable grace period.

(b) **"Obligations"** means all indebtedness, liabilities, and obligations of the Borrower to the Lender, whether joint and several or not, present or future, direct or

indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid to the Lender in any currency.

1.1 No Contra Proferentum

This Guarantee Agreement has been negotiated by the Guarantor and the Lender with the benefit of legal representation, and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Guarantee Agreement.

1.2 Conflict With Facilities

If there is any conflict or inconsistency between the terms of the Facilities and the terms of this Guarantee Agreement, the provisions of the Facilities shall govern to the extent necessary to remove the conflict or inconsistency.

1.3 Other Interpretation Rules

In this Guarantee Agreement:

(a) Any decision, determination or other action required or permitted to be made or taken by the Lender shall be interpreted to mean that decision, determination or other action made or taken in accordance with the provisions of the Facilities.

(b) The division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Guarantee Agreement.

(c) Unless otherwise specified or the context otherwise requires, (i) "including" or "includes" means "including (or includes) but is not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it, (ii) a reference to any legislation, statutory instrument or regulation or a section thereof is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time, and (iii) words in the singular include the plural and vice-versa and words in one gender include all genders.

(d) Unless otherwise specified or the context otherwise requires, any reference in this Guarantee Agreement to payment of the Obligations includes performance of the Obligations.

2. GUARANTEE AND INDEMNITY

2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees to the Lender the prompt and complete payment, performance and collection of all of the Obligations.

2.2 Indemnity

The Guarantor also unconditionally and irrevocably agrees that, if the Borrower does not unconditionally and irrevocably pay any Obligations when due, the Guarantor shall indemnify the Lender immediately on demand against all costs, losses, damages, liability, and expenses, including legal fees on a full indemnity basis, suffered by the

Lender as a result. The Guarantor agrees that this indemnity shall not be released or discharged by reason of the bankruptcy or insolvency of the Borrower.

2.3 Separate Liabilities

The liabilities of the Guarantor under Sections 2.1 and 2.2 are separate and distinct from each other, but the provisions of this Guarantee Agreement shall apply to the liabilities under both such Sections unless the context otherwise requires.

2.4 Limit on Liability

The liability of the Guarantor under this Guarantee Agreement is unlimited.

2.5 Irrevocable

This Guarantee Agreement is irrevocable by the Guarantor, and the Guarantor expressly and unconditionally waives any right to terminate this Guarantee Agreement.

3. REINSTATEMENT

3.1 Payments in Gross

Until this Guarantee Agreement has been terminated in accordance with Section 3.3, all amounts of any kind received by the Lender from any source in respect of the Obligations shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit of those amounts in reduction of its liabilities under this Guarantee Agreement.

3.2 Reinstatement

If at any time any payment of the Obligations is or must be rescinded or returned by the Lender as a result of insolvency or reorganization of the Borrower or any other person, or for any other reason whatsoever, the Obligations will be deemed to have continued in existence and this Guarantee Agreement shall continue to be effective, or be reinstated, as if the payment had not occurred. The Lender may concede or compromise any claim that any payment ought to be rescinded or returned without diminishing the liability of the Guarantor under this Section.

3.3 Termination

If the Obligations have been indefeasibly paid in full, without any claim or cause of action against the Borrower in relation to the Facilities arising or then existing, then this Guarantee Agreement shall be automatically cancelled, and the Lender shall, at the request and expense of the Guarantor, execute and deliver whatever documents are reasonably required to acknowledge the termination of this Guarantee Agreement.

4. WAIVER OF DEFENCES AND OTHER MATTERS

4.1 In Addition to Other Rights – No Marshalling

This Guarantee Agreement is in addition to and is not in any way prejudiced by or merged with any other guarantee or security now or subsequently held by the Lender in respect of any Obligations. The Lender shall be under no obligation to marshal in favour

of the Guarantor any other guarantees or other securities or any money or other property that the Lender may be entitled to receive or may have a claim upon.

4.2 Liabilities Unconditional

The liabilities of the Guarantor under this Guarantee Agreement are absolute and unconditional, and will not be affected by any act, omission, matter or thing that, but for this Section, would reduce, release or prejudice any of its liabilities under this Guarantee Agreement, or that might constitute a legal or equitable defence to or a discharge, limitation or reduction of the Guarantor's liabilities under this Guarantee Agreement.

4.3 Information Concerning Borrower

The Guarantor acknowledges that it is currently familiar with the Facilities and the terms thereof, the financial condition of the Borrower and any other circumstances affecting the risk incurred by the Guarantor in connection with this Guarantee Agreement. The Guarantor shall be solely responsible for keeping itself informed concerning those matters in the future. The Guarantor acknowledges that the Lender has no obligation to provide any information concerning those matters now or in the future and that, if it does so at any time, it shall have no obligation to update the information or provide other information subsequently. This Guarantee Agreement shall continue in full force and effect, notwithstanding any amendments to the terms of the Facilities, whether or not such amendment is communicated to or consented to by the Guarantor.

4.4 No Obligation to Enforce Other Rights

The Guarantor waives any right it may have of requiring the Lender (or any trustee or agent on their behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee Agreement and the Guarantor waives all benefits of discussion and division.

5. USE OF AMOUNTS RECEIVED

5.1 Use of Amounts Received

Until this Guarantee Agreement has been terminated in accordance with Section 3.3, the Lender (or any trustee or agent on their behalf) may:

(a) refrain from applying any money received or enforcing any other security or rights held by them in respect of the Obligations, or apply any money and enforce any other security or rights in any manner and order as they see fit;

(b) change any application of money received in whole or in part from time to time; and

(c) hold in a suspense account any money received from the Guarantor or on account of the Guarantor's liabilities under this Guarantee Agreement.

6. POSTPONEMENT OF GUARANTOR'S RIGHTS

6.1 Postponement of Subrogation

Until this Guarantee Agreement has been terminated in accordance with Section 3.3, the Guarantor shall not exercise any rights that it may have by reason of performance by it of its liabilities under this Guarantee Agreement:

(a) to be indemnified by the Borrower;

(b) to claim contribution from any other guarantor or indemnitor of the Obligations; or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Facilities.

6.2 Postponement of Set-Off

Until this Guarantee Agreement has been terminated in accordance with Section 3.3, the Guarantor shall not claim any set-off or counterclaim against the Borrower as a result of any liability of the Borrower to the Guarantor, or claim or prove in the bankruptcy or insolvency of the Borrower in competition with the Lender.

6.3 Postponement and Assignment

The Guarantor postpones payment of all present and future debts, liabilities and obligations of the Borrower to the Guarantor until this Guarantee Agreement has been terminated in accordance with Section 3.3. The Guarantor assigns to the Lender all present and future debts, liabilities and obligations of the Borrower to the Guarantor as security for payment of the Guarantor's liabilities under this Guarantee Agreement, and agrees that all money received by the Guarantor in respect of those debts, liabilities and obligations shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, all without in any way lessening or limiting the liabilities of the Guarantor under this Guarantee Agreement. Notwithstanding the foregoing, the Guarantor may accept payment of all present and future debts, liabilities and obligations of the Borrower to the Guarantor until the occurrence of an Event of Default.

7. OBLIGATION TO MAKE PAYMENT

7.1 Payment Immediately After Demand

The Guarantor's liability to make a payment under this Guarantee Agreement shall arise immediately after demand for payment has been made in writing on the Guarantor. In connection with any demand, the Lender may treat all Obligations as due and payable and may demand immediate payment from the Guarantor of the total amount of its liabilities under this Guarantee Agreement, whether or not all Obligations are otherwise due and payable at the time of demand.

7.2 Right to Enforce

Demand under this Guarantee Agreement may be made upon the occurrence of an Event of Default and during its continuance, and the liabilities of the Guarantor under this Guarantee Agreement may be enforced, irrespective of whether any demands, steps or proceedings are being or have been made or taken against the Borrower or any third party or both.

7.3 Rights Cumulative

Neither failure nor delay on the part of the Lender to exercise any right or remedy under this Guarantee Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. Neither the taking of any judicial or extra judicial proceeding nor the exercise of rights under any security held from the Guarantor shall extinguish the liability of the Guarantor to pay and perform its liabilities under this Guarantee Agreement, nor shall the acceptance of any payment or security create any novation. No covenant, representation or warranty of the Guarantor in this Guarantee Agreement shall merge in any judgment. The rights and remedies provided in this Guarantee Agreement are cumulative and do not exclude any rights and remedies provided by law or otherwise.

8. WITHHOLDINGS

8.1 Withholdings

Any payment made by the Guarantor under this Guarantee Agreement shall be made without any deduction or withholding for or on account of tax and without any setoff or counterclaim of any kind. However, if the Guarantor is required by law to deduct, withhold or pay any tax in respect of any payment under this Guarantee Agreement, then (a) the Guarantor shall pay additional sums under this Guarantee Agreement as necessary so that, after making or allowing for all required deductions, withholdings and payments (including deductions, withholdings and payments applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no deductions, withholdings or payments been required, (b) the Guarantor shall make any deductions, withholdings or payments required by law to be made by it, and (c) the Guarantor shall timely pay the full amount required to be deducted, withheld or paid to the relevant governmental authority in accordance with applicable law.

9. NOTICES

9.1 Notices in Writing

All notices and formal communications required or permitted to be given in accordance with this Guarantee Agreement shall be in writing and shall be delivered personally or sent by prepaid courier or registered mail to the address of the parties set forth above, or to such other address as the relevant party may notify of in writing from time to time pursuant to these provisions. Notices sent by prepaid courier or registered mail shall be deemed to be received by the addressee on the seventh (7th) day (excluding Saturdays, Sundays, statutory holidays and any period of postal disruption) following the mailing thereof. Notices personally served shall be deemed to be received when actually delivered, provided such delivery shall be during normal business hours, otherwise such Notices shall be deemed received the following business day.

10. ENTIRE AGREEMENT – SEVERABILITY

10.1 Entire Agreement

This Guarantee Agreement and the Facilities embody all the agreements relating to the guarantee and indemnity contemplated in this Guarantee Agreement. No party shall be bound by any representation or promise made by any person relating to this Guarantee Agreement that is not embodied in it. It is specifically agreed that the Lender shall not be bound by any representation or promise made by the Borrower to the Guarantor. Any waiver of, or consent to departure from, the requirements of any provision of this Guarantee Agreement shall be effective only if it is in writing and signed by the Lender, and only in the specific instance and for the specific purpose for which it has been given.

10.2 Severability

If, in any jurisdiction, any provision of this Guarantee Agreement or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Guarantee Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

11. DELIVERY OF AGREEMENT

11.1 Delivery and Counterparts

To evidence the fact that it has executed this Guarantee Agreement, the Guarantor may send a signed copy of this Guarantee Agreement or its signature to this Guarantee Agreement by facsimile transmission or e mail in portable document format (PDF) and the signature sent in that way shall be deemed to be its original signature for all purposes. This Guarantee Agreement may be executed in any number of counterparts and all counterparts taken together shall be deemed to constitute a single agreement.

11.2 No Conditions

Possession of this Guarantee Agreement by the Lender shall be conclusive evidence against the Guarantor that the Guarantee Agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This Guarantee Agreement shall be operative and binding notwithstanding that it is not executed by any proposed signatory.

11.3 Receipt and Waiver

The Guarantor acknowledges receipt of a copy of this Guarantee Agreement. The Guarantor waives any notice of acceptance of this Guarantee Agreement by the Lender. The Guarantor also waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Guarantee Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law. The Guarantor agrees that the Lender may from time to time provide information regarding this Guarantee Agreement and the Obligations to persons that the Lender believe in good faith are entitled to the information under applicable law.

12. GOVERNING LAW

12.1 Governing Law

This Guarantee Agreement and any dispute arising from or in relation to this Guarantee Agreement shall be governed by, and interpreted and enforced in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, excluding the conflict of law rules of that province.

12.2 Guarantor's Exclusive Dispute Resolution Jurisdiction

The Guarantor agrees that the courts of the province of Alberta have exclusive jurisdiction over any dispute arising from or in relation to this Guarantee Agreement and the Guarantor irrevocably and unconditionally attorns to the exclusive jurisdiction of that province. The Guarantor agrees that the courts of that province are the most appropriate and convenient forum to settle disputes and agrees not to argue to the contrary.

12.3 Lender Entitled to Concurrent Jurisdiction

Despite Section 12.2, the Lender is permitted to take proceedings in relation to any dispute arising from or in relation to this Guarantee Agreement in any court of another province or another state with jurisdiction and to the extent allowed by law may take concurrent proceedings in any number of jurisdictions.

13. SUCCESSORS AND ASSIGNS

13.1 Successors and Assigns

The Guarantor may not assign or transfer all or any part of its liabilities under this Guarantee Agreement. This Guarantee Agreement shall enure to the benefit of the Lender and its successors and assigns and be binding on the Guarantor and its successors and any permitted assigns.

IN WITNESS WHEREOF, the Guarantor has duly executed this Guarantee Agreement as of the date first written above.

1978763 ALBERTA LTD.

Per: _____
Name: Terence Hodgson
Title: Director

RESOLUTION OF THE DIRECTOR OF **1978753 ALBERTA LTD.**
(the "**Corporation**")

Passed without meeting pursuant to Section 117(1) of the *Business Corporations Act* (the "**Act**") of Alberta

Effective as of and from April 6, 2021

RECITALS:

A. Whereas UMC Financial Management Inc. (the "**Lender**") has made certain financial accommodations available to the Corporation and to an affiliate of the Corporation (the "**Affiliate**");

B. The Lender, as a condition of granting the financial accommodations, requires that the Corporation provide security in respect of the indebtedness of the Corporation and the Affiliate to the Lender; and

C. It is in the best interests of the Corporation that the Corporation and Affiliate secure such financial accommodations and that the Corporation provide the required security,

NOW, THEREFORE BE IT RESOLVED THAT:

1. The above recitals are correct and accepted.

2. The Corporation do guarantee payment to the Lender of, and indemnify the Lender with respect to, to all present and future debts and liabilities, including interest, at any time owing by the Affiliate to the Lender.

3. The Corporation do grant to the Lender such security as may be required by the Lender to secure the said guarantee and indemnity (the "**Security**"), and that the form of Security and any other documents to be delivered in connection therewith shall be that presented for execution by the Lender and approved by any director or officer of the Corporation and execution by any such director or officer shall be conclusive evidence of such approval.

4. Any director or officer of the Corporation is authorized and directed to execute all such documents and take all such steps required or desirable to give effect to and carry out these resolutions.

5. These resolutions may be signed and delivered electronically and an electronically-reproduced copy of these resolutions evidencing execution by a signatory shall be treated

as an originally-executed copy as to that signatory for all intents and purposes.

I, being the sole director entitled to vote on these resolutions, hereby approve of and consent to the passing of the above resolutions, as witnessed by my signature hereto.

Terence Hodgson

This is **Exhibit "Q"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

CONTINUING and UNLIMITED GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **ALDER INVESTMENT GROUP TRUST 2016,** presently of EDMONTON, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.,** of EDMONTON, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the

hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully

paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so

sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has hereto set its hand to be signed by its proper trustees duly authorized in that behalf this 22 day of FEBRUARY, 2019.

ALDER INVESTMENT GROUP TRUST 2016

Per: _____
TERENCE B. HODGSON
Trustee

ALDER INVESTMENT GROUP TRUST 2016 ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secures the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the Senior Trustee of the Guarantor be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Senior Trustee believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 22 day of FEBRUARY, 2019.

TRUSTEE:

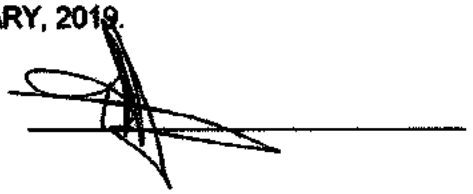
TERENCE B. HODGSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Trustees of the Guarantor in accordance with the Guarantor's Trust Agreement, constating documents, any Unanimous Agreements made by the Unitholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or the Trust Agreement of the Guarantor or in any Unanimous Unitholder Agreement which restrict or limit the powers of the Guarantor or its trustees to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Trustee, or committee of Trustees.

CERTIFIED this 22 day of FEBRUARY, 2019.



CONTINUING and UNLIMITED GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **ALDER INVESTMENT GROUP TRUST 2016,** presently of EDMONTON, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.,** of EDMONTON, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the

hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully

paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so

sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has hereto set its hand to be signed by its proper trustees duly authorized in that behalf this 19 day of JULY, 2019.

ALDER INVESTMENT GROUP TRUST 2016

Per: _____

TERENCE B. HODGSON
Trustee

ALDER INVESTMENT GROUP TRUST 2016 ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secures the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the Senior Trustee of the Guarantor be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Senior Trustee believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 19 day of JULY, 2019.

TRUSTEE:

TERENCE B. HODGSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Trustees of the Guarantor in accordance with the Guarantor's Trust Agreement, constating documents, any Unanimous Agreements made by the Unitholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or the Trust Agreement of the Guarantor or in any Unanimous Unitholder Agreement which restrict or limit the powers of the Guarantor or its trustees to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Trustee, or committee of Trustees.

CERTIFIED this 19 day of JULY, 2019.

CONTINUING and UNLIMITED GUARANTEE

TO: UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta T5L 4M8

THE UNDERSIGNED, **ALDER INVESTMENT GROUP TRUST 2016,** presently of EDMONTON, in the Province of Alberta, (hereinafter referred to as "the Guarantor"), requests **UMC FINANCIAL MANAGEMENT INC., OF SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8** (hereinafter referred to as the "Lender") to grant credit to **CAREADON CORP.**, of EDMONTON, in the Province of Alberta, (hereinafter referred to as the "Customer"), and in consideration of the sum of ONE ($1.00) DOLLAR now paid by the Lender to the undersigned and in consideration of your extending such credit from time to time at your discretion (as herein provided) to the Customer, the Guarantor jointly and severally agrees with you as follows:

1. "CREDIT" means financial accommodation of any kind. "INDEBTEDNESS" is used in its broadest sense and includes all obligations to the Lender of the Customer alone or with others heretofore or hereafter incurred, voluntarily or involuntarily due or not due, absolute, inchoate, contingent, liquidated or unliquidated, and interest on each such obligation.

2. Without further authorization from or notice to the Guarantor you may grant credit to the Customer from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Customer or by any person or persons liable to you of any indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no dealing by you with the Customer or any Guarantor or endorser, no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any indebtedness of the Customer hereby guaranteed or in enforcing this Guarantee against the Guarantor, and promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Customer, any other Guarantor, any other person, firm or corporation or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all indebtedness hereby guaranteed; PROVIDED always that the Guarantor may determine his further liability under this Continuing Guarantee by thirty days' notice in writing to be given to you, and the liability hereunder of the Guarantor shall continue until the expiration of thirty days after the giving of such notice, notwithstanding the death or insanity of the Guarantor, and after the expiration of such notice the Guarantor shall remain liable under this Guarantee in respect of any sum or sums of money owing to you as aforesaid on the date such notice expired, together with interest thereafter at the rate or rates payable by the Customer on such sum or sums.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the

hands of the Manager of the Lender where any of the Customer's accounts are kept, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of the Manager of the Lender.

7. Until all indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by the Manager of the Lender.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or monies received to any portion of the indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Customer shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change; it being understood that where the Customer is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the Corporation Customer, and notwithstanding any reorganization of the Corporation Customer, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Customer is a corporation or partnership or any entity, you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Customer or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of credit to be granted to the Customer.

11. The statement in writing of the Manager at the time such statement is given of the Lender where any of the Customer's accounts are kept from time to time of the indebtedness of the Customer to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time due and payable to you and is covered hereby.

12. All indebtedness present and future of the Customer to the Guarantor is hereby assigned to you and postponed to the present and future indebtedness of the Customer to you and all monies received from the Customer or for his account by the Guarantor shall be by him received in trust for you, and forthwith upon receipt paid over to you until the Customer's indebtedness to you is fully

paid and satisfied, all without prejudice to and without in any way li
the undersigned to you under this Guarantee. If the Custome
Guarantor is a member, the Guarantor will not without the prior w
the Lender withdraw any capital of the Guarantor invested in the

13. Upon the bankruptcy or winding up or other distribution of
surety or guarantor for any indebtedness of the Customer to you, y
impaired by your omission to prove your claim or to prove your full
claim as you see fit and may refrain from proving any claim, and in y
you see fit or refrain from valuing any security or securities held by y
reducing or otherwise affecting the Guarantor's liability to you a
Customer to you has been fully paid, you shall have the right to incl
sums paid by the Guarantor to you under this guarantee and to pro
by the Guarantor and to receive the full amount of all dividends i
assigned and transferred to you. The Guarantor shall not be relea
the Customer, any other Guarantor or any other person beco
Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Custome
proceedings in which the filing of claims is required by law upon an
to the Guarantor and will assign to you all of the Guarantor's right
does not file any such claims you, as attorney in fact of the Guaran
so in the name of the Guarantor or in your discretion to assign the cl
to be filed in the name of your nominee. In all such cases, whether i
otherwise, the person or persons authorized to pay such claim s
payable on the claim in the proceeding before making any payment
extent necessary for the purpose the Guarantor hereby assigns to
any payments or distributions to which the Guarantor otherwise wo
paid is greater than the guaranteed obligations then outstanding,
excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under
any time hereafter in force between you and the Guarantor shall be
and shall be in addition to all rights, powers and remedies given to

16. In the case of default you may maintain an action upon this
Customer is joined therein or separate action is brought against the
against him. Your rights are cumulative and shall not be exhauste
rights hereunder or otherwise against the Guarantor or by any num
and unless all indebtedness guaranteed has been paid and each
hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee b
unenforceable, all other provisions nevertheless shall remain effect

18. Any notice or demand which you may wish to give may be
personally on him, or his legal personal representative or in the cas
of the Corporation, or by sending the same by registered mail in an
known place of address to the person to be served as it appears on

paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Customer is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of the Manager of the Lender withdraw any capital of the Guarantor invested in the Customer.

13. Upon the bankruptcy or winding up or other distribution of assets of the Customer or any surety or guarantor for any indebtedness of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all indebtedness of the Customer to you has been fully paid, you shall have the right to include in your claim the amount of sums paid by the Guarantor to you under this guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Customer, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law upon any indebtedness of the Customer to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claims you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for the purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law.

16. In the case of default you may maintain an action upon this Guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all indebtedness guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

17. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

18. Any notice or demand which you may wish to give may be served on the Guarantor either personally on him, or his legal personal representative or in the case of a corporation on an Officer of the Corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address to the person to be served as it appears on your records, and the notice so

sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give to you may be served personally on the Lender at its office address listed above or by sending the same by registered mail in an envelope addressed to the Lender at its registered office in the Province of Alberta, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Either you or the Guarantor may change his address from time to time by notice served as above set forth.

19. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and in any action thereon the Guarantor shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding upon him and them.

20. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine or neuter gender and any word importing a person shall include a corporation and a partnership, firm and any entity.

21. The Guarantor acknowledges receiving a copy of this Guarantee and waives all rights to receive from the Lender a copy of any Financing Statement, Financing Change Statement, or Verification Statement filed or issued at any time in respect of this Guarantee.

22. This Guarantee and Agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor and his executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has hereto set its hand to be signed by its proper trustees duly authorized in that behalf this 3 day of DECEMBER, 2019.

ALDER INVESTMENT GROUP TRUST 2016

Per: _____

TERENCE B. HODGSON
Trustee

ALDER INVESTMENT GROUP TRUST 2016 ("the Guarantor")

WHEREAS it is deemed expedient and in the best interests of the Guarantor that it lend assistance to **CAREADON CORP.** (the "Customer") in connection with its borrowings, both present and future, from **UMC FINANCIAL MANAGEMENT INC.** (the "Lender").

NOW THEREFORE BE IT DULY RESOLVED:

1. THAT the Guarantor guarantees payment to the Lender of all present and future debts and liabilities, including interest due at any time by the Customer to the Lender in such form as may be required by the Lender.

2. THAT the Guarantor further secures the Lender by postponing all debts and claims, present and future of the Guarantor against the Customer to the debts and claims of the Lender against the Customer.

3. THAT the Guarantee as hereinbefore mentioned, be and is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee is to be made and that the said Guarantee be duly executed for and in the name of the Guarantor under seal by an authorized officer of the Guarantor, with such alterations, additions, amendments and deletions as he/she may approve; and that the Guarantee so executed is the Guarantee authorized by this Resolution.

4. THAT for the purpose of securing this Guarantee, or any present or future debts or liabilities including interest due at any time, by the Customer to the Lender, the Guarantor shall provide to the Lender any security, including accommodation endorsements, which the Lender may request, and that for such purpose the officer(s) of the Guarantor mentioned in Paragraph 3 hereof be and is hereby empowered for and on behalf of the Guarantor to provide such security and to execute such further documents as the Lender may require.

5. That a copy of this Resolution, certified by the Senior Trustee of the Guarantor be given to the Lender, and that the designation of the person or officer(s) under Section 4 of this Resolution shall be binding upon the Guarantor.

6. The Senior Trustee believes that the Guarantor:

   (a) will continue to pay its liabilities as they become due; or
   (b) the realizable value of the Guarantor's assets, excluding the amount of any financial assistance in the form a loan or in the form of assets pledged or encumbered to secure a guarantee, after giving the financial assistance, would not be less than the aggregate of the Guarantor's liabilities and stated capital of all classes.

DATED the 3 day of DECEMBER, 2019.

TRUSTEE:

TERENCE B. HOLDSON

CERTIFICATE:

It is hereby certified by the undersigned that the foregoing is a Resolution of the Trustees of the Guarantor in accordance with the Guarantor's Trust Agreement, constating documents, any Unanimous Agreements made by the Unitholders of the Guarantor and all other laws governing the Guarantors, all as amended from time to time, which Resolution is now in full force and effect.

It is hereby further certified that there are not provisions in the Articles or the Trust Agreement of the Guarantor or in any Unanimous Unitholder Agreement which restrict or limit the powers of the Guarantor or its trustees to borrow money upon the credit of the Guarantor, to issue, reissue, sell or pledge debt obligations of the Guarantor, to give a guarantee on behalf of the Guarantor to secure the performance of an obligation of any person, to mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Guarantor, owned or subsequently acquired, to secure any obligation of the Guarantor and to delegate the powers referred to above to a Trustee, or committee of Trustees.

CERTIFIED this 3 day of DECEMBER, 2019.

This is **Exhibit "R"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, the undersigned **CAREADON CORP.** ("Debtor"), hereby grants to **UMC FINANCIAL MANAGEMENT INC.** ("Creditor") by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

(i) all inventory of whatever kind and wherever situate;
(ii) all equipment (other than inventory) of whatever kind and wherever situate, including without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
(iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
(iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
(v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
(vi) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include (i) any personal property held in trust by Debtor and lawfully belonging to others or (ii) the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest Debtor shall stand possessed of such last day in trust to assign the same to day person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Documents of Title", "Instruments", "Intangibles", "Securities", "proceeds", "Inventory", "accession", "Money", "Accounts", "financing statements" and "financing change statements" whenever used herein shall be interpreted pursuant to their respective meanings when used in the The Personal Property Security Act of the province referred to in Section 14(r), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Creditor (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Creditor shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by Creditor, prior to their creation or assumption;

(b) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("the Account Debtor"), and the amount represented by Debtor to Creditor from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Creditor, whether in any proceeding to enforce Collateral or otherwise; and

(c) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "A" or hereafter approved in writing by Creditor, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of Creditor; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor,

(b) to notify Creditor promptly of:

(i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral;

(ii) the details of any significant acquisition of Collateral;

(iii) the details of any claims or litigation affecting Debtor or Collateral;

(iv) any loss or damage to Collateral;

(v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and

(vi) the return to or repossession by Debtor of Collateral;

(c) to keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Creditor of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as Creditor shall reasonably direct with loss payable to Creditor and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Creditor's request so as to indicate the Security Interest;

(i) to deliver to Creditor from time to time promptly upon request:

(i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;

(ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;

(iii) all financial statements prepared by or for Debtor regarding Debtor's business;

(iv) all policies and certificates of insurance relating to Collateral; and

(v) such information concerning Collateral, the Debtor and Debtor's business and affairs as Creditor may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Creditor shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner Creditor may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Creditor may reasonably request in connection therewith and for such purpose to grant to Creditor or its agents access to all places where Collateral may be located and to premises occupied by Debtor.

6. SECURITIES

If Collateral at any time includes Securities, Debtor authorizes Creditor to transfer the same or any part thereof into its own name or that of its nominee(s) so that Creditor or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, Creditor shall deliver promptly to Debtor all notices or other communications received by it its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by Creditor or its nominee(s) as such registered owner and agrees that no proxy issued by Creditor to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, Creditor may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Creditor. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by Debtor in trust for Creditor and shall be turned over to Creditor upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from

or interest on Collateral and if Creditor receives any such Money prior to default, Creditor shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Creditor.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes Creditor:

(i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly,

(ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral;

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to Creditor to be held by Creditor as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by Creditor pursuant to in or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as Creditor deems best or, at the option of Creditor, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of Creditor hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and Creditor;

(b) the death or declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) If Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Creditor to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Creditor at or prior to the time of such execution.

12. ACCELERATION

Creditor, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Creditor considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of Creditor with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, Creditor may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Creditor or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) or Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not Creditor, and Creditor shall not be in way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a

secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable him to carry on Debtor's business or otherwise, as such Receiver shall, in their discretion, determine. Except as may be otherwise directed by Creditor, all Money received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to Creditor. Every such Receiver may, in the discretion of Creditor, be vested with all or any of the rights and powers of Creditor.

(b) Upon default, Creditor may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) Creditor may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Creditor may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Creditor may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Creditor and in addition to any other rights Creditor may have at law or in equity, Creditor shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that Creditor shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Creditor shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or Proceeds and whether or not in Creditor's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that Creditor or any Receiver appointed by it may take possession of Collateral wherever it be located and by any method permitted by law and Debtor agrees upon request from Creditor or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to pay all costs, charges and expenses reasonably incurred by Creditor or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Creditor 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.

(g) Creditor will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.

14. MISCELLANEOUS

(a) Debtor hereby authorizes Creditor to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and

adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Creditor may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the above mentioned branch of Creditor the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of Creditor, whenever Indebtedness is immediately due and payable or Creditor has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Creditor may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Creditor in any capacity, whether or not due, and Creditor shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Creditor's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, Creditor may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Creditor, forthwith upon written demand therefor, an amount equal to the expense incurred by Creditor in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) Creditor may grant extensions of time and other indulgence, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others with Collateral and other security as Creditor may see fit without prejudice to the liability of Debtor or Creditor's right to hold and realize the Security Interest. Furthermore, Creditor may demand, collect and sue on Collateral in either Debtor's or Creditor's name, at Creditor's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by Creditor in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Creditor may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Creditor granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting collateral at any time held by Creditor on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action take by Creditor.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Creditor. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(i) Subject to the requirements of Clause 13(g) and 14(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of Creditor, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to Creditor. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Creditor and is, and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the above mentioned Creditor shall actually receive written notice of its discontinuance; and notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by Creditor, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(n) Nothing herein contained shall in any way obligate Creditor to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to Creditor.

(p) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the

amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is defined) of each of the amalgamating companies and the amalgamated company to Creditor at the time of amalgamation and any "Indebtedness" of the amalgamated company to Creditor thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(q) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Alberta as the same may from time to time be in effect, including, where applicable, the P.P.S.A..

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement or verification statement filed or issued at any time in respect of this Agreement.

16. ACCURATE INFORMATION

Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR
CAREADON CORP.

ADDRESS OF BUSINESS DEBTOR	*CITY*	*PROVINCE*	*POSTAL CODE*
116 WESTRIDGE RD.	**EDMONTON,**	**AB**	**T5T 1B8**

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 13 day of AUGUST, 2015.

DEBTOR: **CAREADON CORP.**

Per: _____

Per: _____

(Affix C/S)

SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

Nil

SCHEDULE "B"

1. *Locations of Debtor's Business Operations*

   166 WESTRIDGE RD, EDMONTON, AB T5T 1B8

2. *Locations of Records relating to Collateral*

   166 WESTRIDGE RD, EDMONTON, AB T5T 1B8

3. *Locations of Collateral*

   PLAN 0726888
   BLOCK 1
   LOT 4
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 0.872 HECTARES (2.15 ACRES) MORE OR LESS

and

   PLAN 8222568
   LOT 1
   EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

All present and after acquired property and proceeds therefrom.

This is **Exhibit "S"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16081247

Transmitting Party

MILLER THOMSON LLP
Attention: Accounts Payable
2700, 10155 102 STREET
EDMONTON, AB T5J 4G8

Party Code: 50000066
Phone #: 780 429 1751
Reference #: SDN New

Search ID #: Z16081247 **Date of Search:** 2023-Apr-24 **Time of Search:** 13:28:02

Business Debtor Search For:

CAREADON CORP.

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.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:
CAREADON CORP.
Search ID #: Z16081247 **Date of Search:** 2023-Apr-24 **Time of Search:** 13:28:02

Registration Number: 15081328565
Registration Date: 2015-Aug-13
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2025-Aug-13 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19022707523	Renewal	2019-Feb-27
20081124158	Renewal	2020-Aug-11
21051126341	Amendment	2021-May-11

Debtor(s)

Block		Status
1	CAREADON CORP. 147, 10403-122 STREET NW EDMONTON, AB T5N 4C1	Current

Secured Party / Parties

Block		Status
1	UMC FINANCIAL MANAGEMENT INC. 201, 14020-128 AVENUE NW EDMONTON, AB T5L 4M8	Deleted by 21051126341

Block		Status
2	UMC FINANCIAL MANAGEMENT INC. 201, 14020-128 AVENUE NW EDMONTON, AB T5L 4M8 Email: daneka_puech@umcfinancial.ca	Current by 21051126341

Collateral: General

Block	Description	Status
1	GENERAL ASSIGNMENT OF LEASES AND RENTS, GRANTED BY THE DEBTOR TO THE SECURED PARTY WHEREIN THE DEBTOR ASSIGNED TO THE SECURED PARTY ALL RENTS, THE BENEFIT OF ALL GUARANTEES, AND OF ALL AND ANY LEASES AND THE BENEFIT OF ALL COVENANTS BY ALL TENANTS, LESSEES, USERS, OCCUPIERS AND LICENSEES OF THE PREMISES LEGALLY DESCRIBED AS: PLAN 0726888 BLOCK 1 LOT 4 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.872 HECTARES (2.15 ACRES) MORE OR LESS AND PLAN 8222568 LOT 1 EXCEPTING THEREOUT ALL MINES AND MINERALS	Current

Particulars

Block	Additional Information	Status
1	THIS REGISTRATION IS POSTPONED TO REGISTRATION NO. 21042207028 AND 21042207546 AND ANY AMENDMENTS THERETO, IN FAVOUR OF HMT HOLDINGS INC., PURSUANT TO A POSTPONEMENT AGREEMENT EXECUTED BY THE SECURED PARTIES DATED APRIL 29, 2021.	Current By 21051126341

Business Debtor Search For:
CAREADON CORP.
Search ID #: Z16081247 **Date of Search:** 2023-Apr-24 **Time of Search:** 13:28:02

Registration Number: 15081330435
Registration Date: 2015-Aug-13
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2025-Aug-13 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19022707736	Renewal	2019-Feb-27
20081124135	Renewal	2020-Aug-11
21051126433	Amendment	2021-May-11

Debtor(s)

Block		Status
1	CAREADON CORP. 147, 10403-122 STREET NW EDMONTON, AB T5N 4C1	Current

Secured Party / Parties

Block		Status
1	UMC FINANCIAL MANAGEMENT INC. 201, 14020-128 AVENUE NW EDMONTON, AB T5L 4M8	Deleted by 21051126433

Block		Status
2	UMC FINANCIAL MANAGEMENT INC. 201, 14020-128 AVENUE NW EDMONTON, AB T5L 4M8 Email: daneka_puech@umcfinancial.ca	Current by 21051126433

Collateral: General

Block	Description	Status
1	ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, IN ALL GOODS (INCLUDING ALL PARTS, ACCESSORIES, ATTACHMENTS, SPECIAL TOOLS, ADDITIONS AND ACCESSIONS THERETO),CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR (INCLUDING SUCH AS MAY BE RETURNED TO OR REPOSSESSED BY DEBTOR) AND IN ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS THERETO AND SUBSTITUTIONS THEREFOR AND INCLUDING, WITHOUT LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR: ACCOUNTS, INSTRUMENTS AND ALL SUPPORTING RECORDS, INVENTORY, ALL EQUIPMENT OF WHATEVER KIND AND WHEREVER SITUATED, INCLUDING, WITHOUT LIMITATION, ALL FURNITURE, FIXTURES AND VEHICLES OF WHATEVER NATURE. PROCEEDS: ALL OF THE DEBTORS PRESENT AND AFTER ACQUIRE PERSONAL PROPERTY. ALL ACCOUNTS AND BOOK DEBTS AND GENERALLY ALL DEBTS, DUES, CLAIMS, CHOSES IN ACTION AND DEMANDS OF EVERY NATURE AND KIND HOWSOEVER ARISING OR SECURED, DUE OR OWNED BY THE DEBTOR. ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR DOCUMENTS OF TITLE OR BY WHICH SUCH ARE OR MAY HEREAFTER BY SECURED, EVIDENCED, ACKNOWLEDGED OR MADE PAYABLE. ALL CONTRACTUAL RIGHTS, ALL OPERATING/FRANCHISING AGREEMENTS, INSURANCE CLAIMS AND ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL PROPERTY.	Current

Particulars

Block	Additional Information	Status
1	THIS REGISTRATION IS POSTPONED TO REGISTRATION NO. 21042207028 AND 21042207546 AND ANY AMENDMENTS THERETO, IN FAVOUR OF HMT HOLDINGS INC., PURSUANT TO A POSTPONEMENT AGREEMENT EXECUTED BY THE SECURED PARTIES DATED APRIL 29, 2021.	Current By 21051126433

Business Debtor Search For:
CAREADON CORP.
Search ID #: Z16081247 **Date of Search:** 2023-Apr-24 **Time of Search:** 13:28:02

Registration Number: 21042207028
Registration Date: 2021-Apr-22
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2026-Apr-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	CAREADON CORP. 166 WESTRIDGE RD EDMONTON, AB T5T 1B8	Current

Secured Party / Parties

Block		Status
1	HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO, ON M5C 2C5 Email: mortgageservicing@harbourmortgage.ca	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OWNED BY THE DEBTOR AND ALL PROCEEDS THEREOF, LOCATED IN OR UPON OR USED IN CONJUNCTION THEREWITH: DESCRIPTIVE PLAN 1623283 BLOCK 1 LOT 4A EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS	Current

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16081247

Business Debtor Search For:
CAREADON CORP.
Search ID #: Z16081247 **Date of Search:** 2023-Apr-24 **Time of Search:** 13:28:02

Registration Number: 21042207546 Registration Type: SECURITY AGREEMENT
Registration Date: 2021-Apr-22 Registration Status: Current
Expiry Date: 2026-Apr-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	CAREADON CORP. 166 WESTRIDGE RD EDMONTON, AB T5T 1B8	Current

Secured Party / Parties

Block		Status
1	HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO, ON M5C 2C5 Email: mortgageservicing@harbourmortgage.ca	Current

Collateral: General

Block	Description	Status
1	THE ENTIRE RIGHT, CLAIM AND INTEREST OF THE DEBTOR IN AND TO THE PRINCIPAL SUM AND INTEREST OWING AND PAYABLE OR HEREINAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO THE COLLATERAL AGREEMENT DATED APRIL 30, 2021 BETWEEN THE DEBTOR AND THE SECURED PARTY AND ALL PROCEEDS INCLUDING WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY.	Current

Result Complete

This is **Exhibit "T"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

MORTGAGE
THE LAND TITLES ACT

CAREADON CORP. OF 166 WESTRIDGE ROAD, EDMONTON, AB T5T 1B8 (hereinafter called the "Mortgagor") being registered as owner of an estate in fee simple in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed herein, of that piece of land situate in the Province of Alberta, in the Dominion of Canada, described as follows:

PLAN 0726888
BLOCK 1
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.872 HECTARES (2.15 ACRES) MORE OR LESS

and

PLAN 8222568
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

(which with the buildings and improvements situate thereon, are hereinafter called the "said lands" or the "premises").

IN CONSIDERATION of the sum of **THIRTY MILLION ($30,000,000.00) DOLLARS** lent to the Mortgagor by --

UMC FINANCIAL MANAGEMENT INC., SUITE 201, 14020 - 128 AVENUE NW, EDMONTON, ALBERTA T5L 4M8

(who and whose Successors and Assigns are hereinafter called the "Mortgagee") the receipt of which sum is hereby acknowledged, covenants with the Mortgagee:

1. REPAYMENT

THAT THE MORTGAGOR will pay to the Mortgagee at Suite 201, 14020 - 128 Avenue NW, Edmonton, Alberta NW T5L 4M8 in lawful money of Canada, the sum of **THIRTY MILLION ($30,000,000.00) DOLLARS** with interest thereon (or on so much as shall from time to time remain unpaid) at the rate of **EIGHT (8.00%) PERCENT** per annum, calculated half yearly not in advance, as well after as before maturity until paid as follows:

(a) Interest at the said rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the **DATE OF ADVANCEMENT OF FUNDS** (hereinafter referred to as the "date for adjustment of interest");

(b) The said sum of **THIRTY MILLION ($30,000,000.00) DOLLARS** with interest thereon at the said rate computed from the date for adjustment of interest, shall become due and be paid by monthly instalments of **TWO HUNDRED TWENTY**

EIGHT THOUSAND NINE HUNDRED SIXTY-FOUR 20/100 ($228,964.20) DOLLARS each (which include and shall be applied firstly on interest and secondly on principal) on the 1st day of each and every month in each and every year from and including the **1st DAY OF JULY, 2017**, until the whole of the monies hereby secured is fully paid;

(c) The balance of the monies due hereunder to become due and payable in any event on the **1ST DAY OF JULY, 2018**.

The amount of principal money to be advanced under and secured by this mortgage is the sum of **THIRTY MILLION ($30,000,000.00) DOLLARS.**

The rate of interest chargeable thereon is **EIGHT (8.00%) PERCENT** per annum, calculated half yearly and not in advance.

2. INTEREST

THAT THE MORTGAGOR will pay to the Mortgagee interest as aforesaid in manner aforesaid on the said sum or on so much thereof as shall from time to time remain unpaid and that interest on becoming overdue shall forthwith be treated (as to payment of interest thereon) as principal and shall bear compound interest and, in addition, premiums of insurance or other sums of money paid by the Mortgagee for the protection of this security such as taxes, repairs or other encumbrances and all costs, charges and expenses connected therewith shall bear interest at the rate aforesaid as well after as before maturity of this mortgage, to be compounded half yearly, computed with rests and paid half yearly, commencing six months from the date hereof and every six months thereafter in each year and all such interest, compound interest and sums of money paid by the Mortgagee for the protection of this security shall be a charge on the said lands. In the event of non-payment of any of the monies hereby secured at the time herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, pay interest at the said rate from day to day on the same. Notwithstanding anything contained in this Mortgage, the Mortgagor shall, at the option of the Mortgagee, pay accrued interest, during the construction of the project, on a monthly basis, if so demanded by the Mortgagee.

3. INSURANCE

(a) That the Mortgagor shall forthwith insure, if not already so insured, and during the continuance of this Mortgage keep insured in favour of the Mortgagee, with loss payable to the Mortgagee as its interest may appear, the said lands and each and every building, structure, erection, improvement, fixture or replacement thereof, including and without limiting the generality of the foregoing, all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now on the said lands or which may thereafter be erected or placed thereon, both during erection and thereafter (all of the foregoing being hereinafter referred to as "the Premises") for the full amount permitted by law but in any event at least for the full insurable replacement value thereof on a non-reporting completed value basis in lawful money of Canada and in such forms and with a company or companies and policy or policies of insurance approved by the Mortgagee against all risk of direct physical loss with only such exclusions as the Mortgagee may approve and in addition, without limiting the generality of the foregoing, the Mortgagor shall maintain:

(i) Boiler insurance (if any boilers or pressure vessels are installed in the Premises) and Machinery Insurance;

Upon completion of the project the Mortgagor will insure and keep insured in respect to insurable property from time to time forming part of the mortgaged premises, Boiler and Machinery Insurance, which shall cover, subject to the standard comprehensive wording, any boiler, any fired vessel, any metal unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning system or any piping and its accessory equipment and any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power;

(ii) insurance covering loss of rentals on those portions of the Premises leased or rented to tenants by the Mortgagor and Business Interruption Insurance on those portions of the Premises occupied by the Mortgagor, such policy or policies in amounts, at least equal to the amount of payments required to be made hereunder for principal, interest and taxes for the period of such policy or policies;

(iii) insurance against liability imposed for injury to or death of persons or for damage to or loss of property in such amounts as will in the opinion of the Mortgagee reasonably protect the Mortgagor against such losses;

(b) That such insurance policies shall be without co-insurance unless approved in writing by the Mortgagee;

(c) That all policies of insurance required hereby shall contain "mortgage clauses" in favour of the Mortgagee in a form approved of by the Mortgagee or the Standard Industry approved Clause Form IBC 3000. The loss payable clause must show the Mortgagee as the first loss payee;

(d) That the Mortgagor shall forthwith from time to time upon request of the Mortgagee furnish at its own expense, a certificate of a competent appraiser or other competent person selected by the Mortgagee as to the sufficiency or otherwise of any insurance, and as to the type and amount thereof;

(e) That the Mortgagor shall not allow any such policy or policies of insurance to be invalidated, and shall forthwith assign, transfer and deliver to the Mortgagee such policy or policies and receipts thereto appertaining, and does hereby irrevocably assign the proceeds of any such insurance to the Mortgagee. If the Mortgagor shall neglect to keep any part of the Premises insured as herein provided, or to deliver any such policy or receipt, or to produce to the Mortgagee at least seven (7) days before the termination of any insurance coverage evidence, to the reasonable satisfaction of the Mortgagee, of the renewal thereof, or if the Mortgagee receives notice of the intended cancellation of any such policy, the Mortgagee shall be entitled to insure the Premises, PROVIDED HOWEVER THAT, the Mortgagee shall not be bound to insure the Premises or, in the event of insuring the Premises, to insure other than the

interest of the Mortgagee only, or to see to the payment of the premiums on any policy, or be liable or responsible for any loss arising out of any defect in any policy or failure of any insurance company to pay for any loss thereunder;

(f) That the Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys; and any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the land, or be applied or paid partly in one way and partly in another, or may be applied, in the sole discretion of the Mortgagee, in whole or in part, on the interest or other moneys owing hereunder then due, or on the mortgage debt, or any part thereof, whether due or not then due, notwithstanding any law, equity or statute to the contrary, and in particular the Insurance Act of the Province of Alberta, and the Fires Prevention (Metropolis) Act, 1774, all rights and benefits of the Mortgagor thereunder being hereby expressly waived;

(g) If for any reason any insurance as hereinbefore provided for cannot be effected or maintained, the whole of the principal and interest hereby secured and not previously paid shall, at the option of the Mortgagee, forthwith become due and payable;

(h) And it is further agreed that in case of the cancellation of any insurance by reason of the unsatisfactory condition of the buildings on the said lands or from any other cause whatsoever, the Mortgagee or its agents shall have the right to enter the said buildings at any time for the purpose of inspection at the expense of the Mortgagor, and the whole of the amount and interest hereby secured and not previously paid shall, at the option of the Mortgagee, forthwith become due and payable;

(i) Nothing herein shall be deemed to hold the Mortgagee responsible for failure to have insurance placed or for any loss growing out of any defects in any policy or because of failure of any insurance company to pay for any loss or damage insured against;

(j) All cancellation clauses in the above referenced policies, including those contained in the Mortgage Clause are to provide for thirty (30) days notice of cancellation to the Mortgagee.

4. TAXES

THAT THE MORTGAGOR will pay when and as the same fall due all taxes, rates, assessments, liens, charges, encumbrances or claims, including local improvement taxes, which are or may be or become rated, charged or claimed against the said lands or on this mortgage or on the Mortgagee in respect of this mortgage; provided that in default of payment by the Mortgagor of monies for taxes aforesaid, then the Mortgagee may pay such taxes and also any liens, charges and encumbrances which may be charged against the said lands and all monies expended by the Mortgagee for any such purposes shall be repaid by the Mortgagor to the Mortgagee forthwith, and shall be a charge upon the said lands and shall bear interest at the rate aforesaid until paid.

5. FIXTURES

THAT ALL erections, buildings, fences, and improvements, fixed or otherwise, now on or hereafter put on the said land are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the said lands, and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of this security, the same repair, maintain, restore, amend, keep, make good, finish, add to and put in order, and in the event of any loss or damage thereto or destruction thereof, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the mortgage monies shall at the option of the Mortgagee become immediately due and payable and that without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may repair, rebuild or reinstate the said lands and that any and all sums of money paid by the Mortgagee for the said purposes shall be deemed to be monies paid by the Mortgagee for the protection of this security. This provision shall be in addition to any statutory covenants implied in this mortgage.

6. COVENANTS

THE MORTGAGOR covenants with the Mortgagee that: --

(a) The Mortgagor has a good title to the said lands;

(b) The Mortgagor has the right to mortgage the said lands;

(c) On default the Mortgagee shall have quiet possession of the said lands, free from all encumbrances;

(d) The Mortgagor will execute such further assurances of the said lands as may be requisite;

(e) The Mortgagor has done no act to encumber the said lands.

7. DEFAULT

THE MORTGAGOR further covenants with the Mortgagee that in the event of default being made in any of the covenants, agreements, provisos, or stipulations expressed or implied herein:

(a) The Mortgagee at the Mortgagee's option may, at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;

(b) The Mortgagee may send or employ an Inspector or Agent to inspect and report upon the value, state and condition of the said lands and a Solicitor to examine and report upon the Title to the same;

(c) The Mortgagee may enter into possession, either by himself or his agent, of the said lands and whether in or out of possession collect the rents and profits thereof, and

make any demise or lease of the said lands or any part thereof for such terms, periods, and at such rents as the Mortgagee shall think proper;

(d) It shall and may be lawful for, and the Mortgagor does hereby grant full power, right, and license to the Mortgagee to enter, seize, and distrain upon the said lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the lands as much of the mortgage monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges, and expenses attending such levy or distress, as in like cases of distress for rent;

(e) The whole of the monies secured hereunder shall, at the option of the Mortgagee, become due and payable;

(f) The Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor;

(g) All party costs and all solicitor and client costs and all legal, appraisal, inspection, environmental, travel, administration, time, and other expenses of the Mortgagee in connection with this mortgage together with interest thereon at the said rate shall be repaid by the Mortgagor to the Mortgagee upon demand, and in the meantime the amount of such payments shall be added to the Mortgagee's equity and shall bear interest as aforesaid, and all such payments shall become part of the Mortgagee's security under this mortgage and shall be applied in reduction of the Mortgagor's estate and interest in the said lands and premises;

(h) Without restricting the generality of the foregoing, the Mortgagor shall be responsible for all professional fees incurred such as legal, appraisal, inspection, environmental or other services required by the Mortgagee. Legal services shall include, but not be limited to renewal, amendments, discharges or foreclosure. Professional fees shall include all costs of the Mortgagee in administering the loan in the event of default including time, travel and expense incurred by the Mortgagee;

(i) Whether or not the Mortgage Loan Amount is disbursed, and notwithstanding retention of a commitment fee by the Mortgagee, all of the Mortgagee's costs and expenses relating to the Loan, including legal costs, and any costs and expenses incurred by the Mortgagee due to proceedings under the Bankruptcy and Insolvency Act relating to the Mortgagor or any Additional Covenantor and Guarantor, are the joint and several responsibility of and shall be paid by the Mortgagor and each Additional Covenantor or Guarantor, if any, who shall also be responsible for any commission or finder's fee. Such costs and expenses may be added to the then outstanding principal balance of the Mortgage and shall bear interest at the interest rate under the Mortgage.

8. RIGHTS OF THE MORTGAGEE

THE MORTGAGOR further covenants with the Mortgagee that:

(a) The taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the rights of the Mortgagee under the said

covenants, or of the Mortgagee's security by way of a charge against the said lands, or affect the Mortgagee's right to interest at the above rate on any monies due and owing to the Mortgagee under the covenants herein contained; it being distinctly understood and agreed that the said rate of interest shall be payable on any judgment taken thereon;

(b) The Mortgagee may at any time release any part of the said lands, or any of the covenants and agreements herein contained, or any collateral security, either with or without any consideration therefore, and without being accountable for the value thereof, or for any money except what is actually received, and without thereby releasing or affecting any other of the said lands or any of the other covenants or agreements herein contained or releasing any surety or any other security;

(c) Neither execution nor registration nor acceptance of the mortgage, nor the advance of part of the monies secured hereby, shall bind the Mortgagee to advance the said principal sum or any unadvanced portion thereof, but nevertheless this mortgage shall take effect forthwith on the execution of these presents, and if the principal sum or any part thereof shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided;

(d) The Mortgagee may pay off any charges or encumbrances against the said lands and in such case shall be subrogated to the rights of holders of such charges and encumbrances whether the same are or are not discharged;

(e) The Mortgagee shall not be charged with any monies receivable or collectable out of the said lands or otherwise except those actually received and the Mortgagee may, at the Mortgagee's option, use any such monies in maintaining, insuring, repairing or improving the said lands or in payment of taxes or other charges against the said lands.

9. ATTORNMENT

FOR BETTER securing the punctual payment of the said monies payable hereunder the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the said lands at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on each day appointed for the payment of instalments, and if any judgment execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of federal bankruptcy and insolvency legislation as amended from time to time or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder enter upon the said lands or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

10. WAIVER

THAT A WAIVER of any default by the Mortgagee shall be deemed to extend to the particular default only and shall not prejudice or affect the Mortgagee's right with respect to subsequent defaults.

11. COLLATERAL SECURITY

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

12. INTERPRETATION

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

13. MORTGAGE

AND FOR THE better securing to the Mortgagee the repayment in manner aforesaid of the principal sum and interest and other monies secured, the Mortgagor DOES HEREBY MORTGAGE to the Mortgagee all the Mortgagor's estate, property, and interest in the said lands.

14. MORTGAGEE NOT BOUND TO ADVANCE

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

15. EXPENSES OF OBTAINING AND MAINTAINING SECURITY

All fees of solicitors, inspectors, valuators and surveyors and expenses for drawing and registering this Mortgage and for examining the mortgaged premises and title thereto and for making or

maintaining this Mortgage a first charge on the mortgaged premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder, and legal costs as between solicitor and client on a full indemnity basis, and also allowance for the time, work and expense of the Mortgagee or of any agent, solicitor or servant of the Mortgagee for any purpose herein provided for as are not or may not be prohibited by the laws of the Province of Alberta, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes, rates or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the said lands, or in maintaining, repairing, restoring or completing the mortgaged premises, and in inspecting, leasing, managing or improving the mortgaged premises, including the value of any goods of any sort or description supplied to be used on the mortgaged premises, or otherwise in the exercise of its rights under the Mortgage upon the default of the Mortgagor, and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the said lands, together with interest thereon at the rate and in the manner provided in this Mortgage from the date such sums are advanced or incurred, and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing instalment of interest, except as herein otherwise provided.

16. MAINTENANCE OF CHARGE

The Mortgagor will fully and effectually maintain and keep the security hereby created as a valid and effective security during the currency hereof and will not permit or suffer the registration of any debt, lien or privilege whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of the mortgaged premises, which could rank prior to the charge of this Mortgage, provided that the registration of any such lien or privilege shall not be deemed to be a breach of this covenant if the Mortgagor shall desire in good faith to contest the same and shall, if the Mortgagee so requires, give security to the satisfaction of the Mortgagee for the due payment of the amount claimed in respect thereof together with possible costs, in case it shall be a valid lien or privilege.

17. RECEIVER

The Mortgagee may, by writing under the hand of any solicitor or agent authorized on its behalf upon any default hereunder or otherwise as provided in this Mortgage, appoint a Receiver or Manager or Receiver and Manager, or Receiver/Manager (hereinafter called the "Receiver") of the said lands and:

(a) In making such appointment, the Mortgagee shall be deemed to be the Attorney of the Mortgagor and the Receiver shall be deemed to be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults of the Receiver;

(b) The Receiver shall have the power to demand, recover and receive all of the income of the property of which he may be appointed Receiver, by action, distress or otherwise, either in the name of the Mortgagor or the Mortgagee, and give effectual receipts therefor and may, by writing at the discretion of the Mortgagee, be vested with and may exercise any or all of the powers and discretion of the Mortgagee herein contained and such Receiver may complete or carry on the business of the Mortgagor relating to the said lands or any part thereof;

(c) The Receiver may be removed by the Mortgagee, in which case and if any Receiver dies or refuses to act or becomes incapable of acting, a new Receiver may be appointed from time to time by the Mortgagee in writing under the hand of any authorized solicitor or agent as aforesaid;

(d) The Mortgagee may from time to time fix the remuneration of the Receiver and may recompense the Receiver for all disbursements properly incurred by him in carrying out his duties and his fees and such payments shall be added to the amount secured by this Mortgage, shall be payable on demand and shall bear interest at the rate specified in this Mortgage;

(e) The Mortgagee shall not by virtue of the appointment of such Receiver be a Mortgagee in possession and shall not be accountable except for moneys actually received by the Mortgagee;

(f) The person paying money to or in any way dealing with the Receiver shall not be concerned to inquire whether any case has happened to authorize the Receiver to act; and

(g) The Receiver shall apply all moneys received by him in such of the following modes and in such order or priority as the Mortgagee may from time to time at its option direct in writing, namely: in discharge of all rents, taxes, rates, assessments and outgoings whatever affecting the said lands; and in keeping in good standing any prior mortgage or lien; and in payment of any premiums on fire or other insurance, if any, properly payable under this Mortgage, payment of which is directed or confirmed in writing by the Mortgagee; and in payment of the cost of executing necessary or proper repairs to the said lands or any part thereof directed or confirmed in writing by the Mortgagee, and in payment of the remuneration of the Receiver and the costs of the Receiver incurred in carrying out or executing any of the powers, duties or discretion which vest in or may be vested in the Receiver by reason of the provisions contained in this Mortgage; and in payment of the interest accruing due under this Mortgage, and in or towards the discharge of the principal money or any instalment thereof or solicitors' costs or other moneys due and payable under this Mortgage, and shall pay the residue, if any, of the money received by him to the person who, but for the possession of the Receiver, would have been entitled to receive the income of which he is appointed Receiver.

18. ADVANCES OR DRAWS

(a) The Mortgagor herewith warrants and represents to the Mortgagee that it has applied for and has been granted all development and construction permits by the City of St. Albert, Alberta for the immediate development of a condominium project (the "Project") on the said lands;

(b) Notwithstanding anything to the contrary contained in this Mortgage, all advances or draws to be made by the Mortgagee to the Mortgagor on this mortgage are subject to the following conditions being satisfied to the sole satisfaction of the Mortgagee:

(i) any funds advanced by the Mortgagee to the Mortgagor are subject to a ten

(10%) percent holdback on each draw. The said ten (10%) percent holdback will not be released to the Mortgagor until 45 days have elapsed from the date of the relevant advance;

(ii) completion percentages shall be established from time to time by the Mortgagor proving (with supporting Invoices) to the satisfaction of the Mortgagee, of the funds actually spent on the Project by the Mortgagor;

(iii) a physical inspection of the said lands by the Mortgagee;

(c) Funds at the time of each draw will be utilized to pay:

(i) all accrued interest to the date of each draw;

(ii) all legal fees to the date of each draw; and

(iii) any other fees or interest owing by the Mortgagor to the Mortgagee at the date of each draw.

19. CONSTRUCTION

IF THE PRINCIPAL SUM is to be advanced from time to time upon the progress of construction of buildings or other improvements which are to be erected on the Lands, then:

(a) such buildings or improvements will form part of the security for the full amount of the monies secured by this Mortgage;

(b) all advances on this Mortgage will be made from time to time in accordance with the progress of construction of such buildings or improvements and will be made in such manner, at such times, and in such amounts as the Mortgagee in its sole discretion determines, subject always to the Mortgagee's discretion to advance or not advance as it sees fit;

(c) the Mortgagor will construct such buildings or improvements in accordance with the plans and specifications which have been or are hereafter approved by the Mortgagee and will diligently carry on the completion of the same;

(d) the Mortgagee will be entitled to retain such sums as it deems necessary in respect of builder's lien holdbacks pursuant to the Builder's Lien Act of Alberta or any other applicable legislation, which sums will be held for such length of time as the Mortgagee sees fit;

(e) the Mortgagee may pay any builder's liens which may exist or be claimed and it will not be liable or responsible to determine the validity or correctness of any such claim;

(f) if the Mortgagor fails to complete such buildings or improvements with reasonable diligence:

(i) the Mortgagee may, without notice to the Mortgagor, enter upon the Lands and take possession thereof with power to carry on the completion of such buildings or improvements and with discretion to alter the plans and specifications if it deems necessary in order to complete the same, and

(ii) if the Mortgage is unable to complete the same properly with the amount of the Principal Sum, the Mortgagee may in its sole discretion advance such further monies as may be required and such further monies together with any costs, charges, expenses or monies advanced shall be added to the Principal Sum and shall bear interest at the rate and times herein mentioned and shall be a further charge on the Lands and secured by these presents.

20. READVANCES

IT IS THE MUTUAL INTENTION of the Mortgagor and Mortgagee that the Mortgagee may wish to make advances and re-advances to the Mortgagor up to an aggregate outstanding balance at any time equal to the principal sum. Accordingly, this Mortgage shall be considered to be a revolving line of credit mortgage within the meaning of, and shall take priority in accordance with the provisions dealing with same in, the Land Titles Act of Alberta. This Mortgage is and shall be a continuing security to the Mortgagee for the repayment of all present and future amounts owing in respect of the principal sum. Any portion of the principal sum may be advanced or re-advanced by the Mortgagee in one or more advances at any future date or dates and the amount of such advances and re-advances when so made shall be secured by this Mortgage and shall be repayable with interest at the said rate. This Mortgage shall be deemed to be taken as security for the ultimate balance of the principal sum and interest due and owing at any time. This Mortgage shall not be void if the full balance of the principal sum and any interest due and owing has been repaid in full if such ability to borrow continues to be available to the Mortgagor. This Mortgage shall be void only when the principal sum and all interest due and owing has been repaid in full and the Mortgagee gives written notice to the Mortgagor that the Mortgagor will not be allowed to borrow further monies and there has been performance of all covenants, provisos and conditions herein contained. Notwithstanding that this Mortgage may be deemed to be a revolving line of credit mortgage, there shall be no right of prepayment except as provided elsewhere in this Mortgage.

21. TAX RECEIPT

NOTWITHSTANDING anything hereinbefore contained, the Mortgagor covenants and agrees with the Mortgagee that, so long as this instrument remains a charge upon any of the said lands, the Mortgagor will pay taxes, rates and assessments chargeable against the said lands when and as the same become due and payable and produce to and deposit with the Mortgagee on the day first appointed hereunder for payment of interest in each and every year the receipt of the city or municipality in which the said lands are situate for the taxes for the preceding year.

22. MONTHLY TAX PAYMENT

THE MORTGAGOR further covenants and agrees with the Mortgagee (in addition and without prejudice to anything herein contained) at the option of the Mortgagee to pay to the Mortgagee on the first day of each and every month hereafter so long as this Mortgage remains a charge upon any of the mortgaged premises, a pro rated portion of the taxes next to become due and payable in respect of the mortgaged premises, as estimated by the Mortgagee, so that the Mortgagee will have sufficient funds on hand to pay such taxes at least thirty (30) days before the due date for the

payment thereof and, if the taxes actually charged or payable in respect of the mortgaged premises in any calendar year shall exceed the estimate of the Mortgagee for that year, to pay to the Mortgagee forthwith on demand the amount required to make up the deficiency. After default is made under this Mortgage, the Mortgagee shall be entitled, as its option, to apply any monies paid to it under this clause and not theretofore applied on account of taxes or towards the satisfaction of such part or parts of the then Mortgage indebtedness as the Mortgagee in its sole discretion shall be deemed advisable. No monies paid to the Mortgagee pursuant to this clause shall be held in trust or bear interest and the Mortgagee shall not be accountable for any interest or other allowance upon any such monies. The Mortgagor further covenants and agrees with the Mortgagee to transmit to the Mortgagee the assessment notices, tax bills and other notices or communications relating to the imposition of taxes against the mortgaged premises forthwith after the receipt thereof by the Mortgagor. If the Mortgagor desires to take advantage of any discount or avoid any penalties in connection with the payment of such taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose. In this clause the word "taxes" shall mean and include all taxes, rates and assessments of whatever nature or kind, including local improvement rates, and any and all interest and penalties thereon.

23. RENEWAL

THE MORTGAGE may be renewed at Maturity at the sole option of the Mortgagee by an agreement in writing between the parties for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances which agreement in writing may not be registered on title in order to retain priority for the Mortgage so renewed and altered over any subsequent registered instrument but nothing contained herein shall be taken to confer any right of renewal upon the Mortgagor.

24. LATE PAYMENT

WHEN PAYMENT IS LATE then interest is capitalized on the regular payment due date. Once the late payment is received, it is processed as of the date of receipt provided the said payment is received prior to 11:00 a.m. All payments received after 11:00 a.m. shall be processed the next business day.

25. PREPAYMENT PRIVILEGES

PROVIDED HOWEVER, that the Mortgagor, when not in default hereunder, shall have the privilege of prepaying the whole or any part of the principal outstanding hereunder at any time, without notice or bonus. Partial prepayments in a minimum sum of ONE HUNDRED ($100.00) DOLLARS on account of principal of this Mortgage may be made once monthly on a regular payment date.

26. LUMP SUM PAYMENT

LUMP SUM PAYMENTS which are received on the regular payment date are applied directly to principal. Any lump sum payments received on a day other than the regular payment date are applied firstly to accrued interest and secondly to principal. This clause is subject to the Prepayment clause contained in this Mortgage.

27. SALE OF PROPERTY

NOTWITHSTANDING ANYTHING hereinbefore contained, in the event that the property is sold or otherwise disposed of without the consent in writing of the Mortgagee being first had and obtained, the whole of the principal and interest due hereunder shall immediately become due and payable, at the option of the Mortgagee.

28. NSF FEE

THE MORTGAGOR SHALL be required to pay the Mortgagee a charge, as established by the Mortgagee from time to time, for any dishonoured, reversed or NSF item processed. The present charge for such item is $125.00.

29. NO SUBSEQUENT CHARGES OR ENCUMBRANCES

IT IS A CONDITION of this Mortgage that there be no charges or encumbrances on the Titles to the said lands following this mortgage (save and except for the Caveat of the Mortgagee which protects its interest in the General Assignment of Leases and Rents given as collateral security to this Mortgage and a charge by Alder Investment Group a Trust). If the Mortgagor defaults herein, the Mortgagee may, at its option, require that the whole of principal and interest due hereunder shall immediately become due and payable.

30. PAYMENT BY AUTOMATIC DEBIT

THE MORTGAGOR SHALL consent to the Mortgagee automatically debiting from the Mortgagor's account at an acceptable financial institution, such monies as are required from the Mortgagor to pay the principal and interest on this Mortgage.

31. CANCELLATION and CLOSE OUT DATE

THIS MORTGAGE MAY be cancelled by the Mortgagee, at its sole option, if:

(a) Due to the failure, for any reason, of the Mortgagor or any Guarantor or Additional Covenantor, if any, to satisfy any of the provisions or requirements hereof, the Mortgagee has not been willing or able to make a disbursement of the Mortgage Loan Amount on or before **AUGUST 18, 2015**; or

(b) The Mortgagor is in breach of any provisions, representations, or warranties herein.

IF THE WHOLE of the principal of this Mortgage has not been disbursed on or before **MAY 31, 2017** (the "Close Out Date") the Mortgagee may, in its own discretion, close out this loan at the amount then advanced, if any, OR charge a Standby Fee of 8.00% per annum compounded semi-annually on the remaining balance to be advanced with the interest accruing thereon being paid monthly.

32. FINANCIAL STATEMENTS

THE MORTGAGOR agrees to supply and deliver to the Mortgagee, within ninety (90) days from the end of the Fiscal Year End of the Mortgagor, full Financial Statements of the Mortgagor and the Guarantor(s) of this Mortgage, **CAREADON CORP. and ALDER INVESTMENT GROUP A TRUST.**

All such Financial Statements to be audited in the event the Mortgagor is in default of any terms of this Mortgage. The said Financial Statements shall include sufficient detail to cover all the operations of the Mortgagor and the said Trust. The said statements are to be prepared by a firm of chartered accountants recognized by the Mortgagee and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules, and shall be no less than **review engagements**.

33. PROPERTY MANAGER

THE PROPERTY is to be managed at all times by a property manager acceptable to the Mortgagee. In the event of the Mortgagor's default the Mortgagee may, at its sole discretion, appoint new property managers at the expense of the Mortgagor, if in the opinion of the Mortgagee the property is not being managed in a professional manner. Any change in the property manager without the Mortgagee's approval shall constitute default. IN THE EVENT that management of the property becomes unsatisfactory, in the Mortgagee's reasonably held opinion, the Mortgagee may, after giving the Mortgagor thirty (30) days to correct any deficiency, appoint alternate management, with all costs in this regard being borne by the Mortgagor.

34. HAZARDOUS SUBSTANCES

THE MORTGAGOR WARRANTS that no ureaformaldehyde foam, asbestos, PCB's, radioactive materials, petroleum products or substances determined to be injurious to human life or health (hereinafter referred to as "Hazardous Substances") have been or will be used in the construction of the improvements or found in the soil of the said lands. The presence of Hazardous Substances will be considered as a default under the Commitment and the Mortgage. The Mortgagor shall be liable for and indemnifies the Mortgagee for any and all costs, expenses, damages or liabilities (including, without limitation, reasonable attorneys' fees) directly or indirectly arising out of or attributable to the presence on, under or about the said lands of any Hazardous Substances and such liability shall survive foreclosure upon the security and any other extinguishing of the obligations of the Mortgagor and/or the guarantors under the Mortgage or loan and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor and/or the guarantors under the Mortgage or loan.

In addition, this warranty shall survive and shall remain in full force and effect regardless of any independent inspections, investigations, and assessments which the Mortgagee may conduct or cause to be conducted with respect to Hazardous Substances on, under or about the said lands.

35. USE

THE MORTGAGOR HEREWITH confirms that the current and intended use of the said lands is as a **MULTI-FAMILY CONDOMINIUM RESIDENCE.** During the term of this Mortgage, this use will not change without the prior written consent of the Mortgagee. In addition, at no time during the term of this Mortgage will the said lands be used for any of the following uses or contain the following types of tenants, chattels or equipment:

(a) Illegal uses as defined by current Alberta and/or Canadian laws;

(b) A facility that permits any type of gambling (for example, but not limited to: VLT's, bingo halls, race tracks);

(c) A liquor store;

such default, but shall not be obligated, to pay any arrears or other sums payable under the said prior charge, or pay off all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the Mortgagee upon demand, shall be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

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

40. PARTIAL RELEASE OR DISCHARGE

THE MORTGAGEE, on the request and at the cost of the Mortgagor, will execute and deliver without a requirement for payment of bonus or penalty to the Mortgagee, from time to time, **PARTIAL DISCHARGES** of its interest in any one (1) of the Condominium Units proposed to be developed by the Mortgagor on the following conditions:

(a) The Mortgagee being in receipt of a sum based on the mortgage amount outstanding divided by the number of residential unit being built in the first Phase of the project;

(b) The Mortgagee being in receipt of a copy of the executed Agreement of Purchase and Sale made between the Mortgagor and the prospective purchaser(s) of a specific Condominium Unit; and

(c) That this Mortgage is current and in good standing, such that after receipt of the said sum for each Unit sold, the number of Units remaining unsold multiplied by the said sum is greater than or equal to the Mortgage balance outstanding.

Notwithstanding the foregoing, the Mortgagor will continue to pay the Mortgagee the monthly payments required to be made pursuant to Paragraph 1 of this Mortgage.

41. CONDOMINIUM

IF THE MORTGAGED PREMISES, or any part thereof include, or in the future include, a condominium unit as defined in the Condominium Property Act, R.S.A. 2000, c. C-22 (hereinafter called "CPA"), then the Mortgagor covenants with the Mortgagee:

(a) to observe or perform all the covenants and provisions required to be observed or performed under or pursuant to the terms of this Mortgage, and of the CPA and of any by-laws that may be passed by the condominium corporation (the "Condominium

Corporation" of which the Mortgagor is a member by virtue of its ownership of the condominium unit or units hereby charged (the "Condominium Units"));

(b) on or before the due dates thereof, to pay each and every assessment, contribution or levy made against the Condominium Units and interest in the common property hereby charged by the Condominium Corporation. If the Mortgagor fails to pay any one or more of such assessments, contributions or levies on or before their due dates, such failure will constitute default under this Mortgage. If the Mortgagor fails to pay any such assessment, contribution or levy, the Mortgagee may so pay, and any amount the Mortgagee so pays will be added to and form part of the principal hereby secured and the Mortgagor will pay the same to the Mortgagee together with interest thereon forthwith after demand;

(c) as a member of the Condominium Corporation to vote against any resolution of the members of the Condominium Corporation which would materially adversely affect the Mortgagee's security under this Mortgage;

(d) that the Mortgagor hereby assigns to the Mortgagee its power of voting conferred on the Mortgagor by the CPA for exercise by the Mortgagee insofar as is allowed by the CPA, but that neither the subparagraph nor anything done by virtue hereof will render the Mortgagee a mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security created by this Mortgage, and the Mortgagor agrees that it requires no additional notice to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. The Mortgagor irrevocably appoints the Mortgagee or its nominee to be the Mortgagor's proxy to attend, act and vote in the Mortgagors place at such meetings of the Condominium Corporation as the Mortgagee or its nominee from time to time attends, on any matters and at any times when the Mortgagor has the right to vote conferred on it by the CPA. For this purpose the Mortgagor will execute such proxy, whether general or specific, as the Mortgagee may request. If the Mortgagor fails to execute such proxy or proxies the Mortgagor irrevocably appoints the Mortgagee its attorney for this purpose. The Mortgagor may, at any duly called meeting of the Condominium Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such a meeting;

(e) that the right to vote assigned herein to the Mortgagee will not make the Mortgagee in any way responsible to protect the Mortgagor's interest, and the Mortgagee will not be responsible for any exercise of the right to vote or any failure to exercise the right to vote;

(f) to forward to the Mortgagee within 10 days of demand by the Mortgagee a certificate certifying that the Mortgagor does not owe any moneys to the Condominium Corporation and to deliver on demand to the Mortgagee a certificate showing that an insurance trustee acceptable to the Mortgagee has been appointed;

(g) not to, without the prior written consent of the Mortgagee:

(i) assign any of the Mortgagor's rights, powers, duties or obligations under the CPA or the by-laws created under the CPA; or

(ii) give possession of any residential Condominium Units hereby charged to any person on the basis of an agreement providing for the purchase of the Condominium Units by the occupier or on the basis of a lease, sub-lease or assignment of lease for a term of three (3) years or more; and

(h) notwithstanding any other terms or provisions of this Mortgage, during such time as this Mortgage remains a valid charge on the said lands, the Mortgagor shall not and shall not attempt to sell, agree to sell, convey, transfer or otherwise dispose of any individual Condominium Unit in the condominium, thereby ensuring that so long as this Mortgage remains a valid charge on the said lands, all Condominium Units in the condominium shall be owned legally and beneficially by the same party. In the event that the Mortgagor is in breach of this covenant, then the balance owing hereunder at the time of such breach shall at the Mortgagee's option immediately become due and payable. Any attempt by the Mortgagor to enforce any statutory or other right the Mortgagor may have, or may claim to have, to sever a Condominium Unit or units from the charge of this Mortgage and obtain a partial discharge or partial discharges therefor shall be deemed a breach of the terms and conditions of this Mortgage and the balance owing hereunder shall at the Mortgagee's option immediately become due and payable.

42. CONDOMINIUM

THE MORTGAGOR HEREBY:

(a) authorizes the Mortgagee to apply from time to time to the Condominium Corporation for certification to the Mortgagee regarding all information and matters referred to in Sections 44 and 45 of the CPA or successor section;

(b) authorizes the Mortgagee to apply from time to time to the Condominium Corporation to have the by-laws of the Condominium Corporation available for inspection; and

(c) appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and any kind whatsoever which the Mortgagor is entitled to examine, inspect or obtain copies of. Provided the Mortgagee shall have no responsibility to the Mortgagor or any other person to take any steps or action, or seek or render any advice with respect to any matter or thing which the Mortgagee becomes aware of as a result of such examination or inspection.

43. ASSIGNMENT OF RENTS

IN THE EVENT THAT THE said lands or any part thereof are leased by the Mortgagor, whether with consent of the Mortgagee, or otherwise, all rents payable to the Mortgagor under any such leases are by these presents assigned to the Mortgagee without any further assignment, as additional security for payment of the monies from time to time secured under this Mortgage.

44. LAW OF PROPERTY ACT

THE MORTGAGOR HEREBY ACKNOWLEDGES that it is aware of the provisions of Sub-Sections (1) and (2) of Section 40 of the *Law of Property Act* being Chapter L-7 of the Revised Statutes of Alberta, 2000, as amended, whereby it is provided that in any action brought upon any mortgage or agreement for sale of land the remedy of the Mortgagee is limited to the land alone and no action shall lie on the covenant for payment contained in such mortgage and in consideration of the within Mortgage, the Mortgagor hereby waives the said provisions of the said Act and agrees with the Mortgagee, its successors and assigns, that in the event that the Mortgagor is in default in payment of the loan, secured by and payable under this Mortgage, then the Mortgagee may proceed against the Mortgagor under this Mortgage, and on his personal covenant herein contained notwithstanding the provisions of the said act or any legislation similar thereto or in replacement thereof.

45. LAWS OF ALBERTA

THE PROVISIONS OF this Mortgage shall be interpreted according to the laws of the Province of Alberta.

IN WITNESS WHEREOF the Mortgagor has hereunto caused its Corporate Seal to be affixed over the signatures of its proper officers in that behalf this 13 day of AUGUST, 2015.

CAREADO CORP.

Per: _____

Per: _____

(Affix Corporate Seal)

DATED 2015

CAREADON CORP.

TO

UMC FINANCIAL MANAGEMENT INC.

M O R T G A G E

BRUCE G. NEILL
PROFESSIONAL CORPORATION
103, 14020 - 128 Avenue N.W.
Edmonton, AB T5L 4M8

File No.: 12179

MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT is made effective FEBRUARY 22, 2019

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

RECITALS:

A. The Mortgagor is the registered owner of the lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.66 ACRES) MORE OR LESS

(the "Lands") against which Lands the Mortgagee holds a mortgage registered with the North Alberta Land Registration District on NOVEMBER 17, 2015 as instrument No. 152 356 497 (hereinafter the "Mortgage").

B. The Mortgagor has requested the Mortgagee to amend certain terms of the Mortgage, which the Mortgagee has agreed to do upon the Mortgagor signing this Agreement.

AGREEMENT:

1. The Mortgage is amended by increasing the Principal Sum from **$30,000,000.00** to **$37,835,000.00;**

2. The monthly payment under the said Mortgage will increase from **$228,964.20** to **$288,762.02** effective on the 1st day of month following the release of the final holdback as determined by the Mortgagee;

3. In the circumstances, Paragraph 1 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 1:

"1) REPAYMENT

THAT THE MORTGAGOR will pay to the Mortgagee at Suite 201, 14020 - 128 Avenue NW, Edmonton, Alberta T5L 4M6 in lawful money of Canada, the sum of **THIRTY SEVEN MILLION EIGHT HUNDRED THIRTY-FIVE THOUSAND ($37,835,000.00) DOLLARS** with interest thereon (or on so much as shall from time to time remain unpaid) at the rate of **EIGHT (8.00%) PERCENT** per annum, calculated half yearly not in advance, as well after as before maturity until paid as follows:

a) Interest at the said rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the **DATE OF ADVANCEMENT OF FUNDS** (hereinafter referred to as the "date for adjustment of interest");

b) The said sum of **THIRTY SEVEN MILLION EIGHT HUNDRED THIRTY-FIVE THOUSAND ($37,835,000.00) DOLLARS** with interest thereon at the said rate computed from the date for adjustment of interest, shall become due and be paid by monthly instalments of **TWO HUNDRED EIGHTY EIGHT THOUSAND SEVEN HUNDRED SIXTY-TWO 02/100 ($288,762.02) DOLLARS** each (which include and shall be applied firstly on interest and secondly on principal) on the 1st day of each and every month in each and every year from the **1st DAY following the release of the final holdback as determined by the Mortgagee**, until the whole of the monies hereby secured is fully paid;

c) The balance of the monies due hereunder to become due and payable in any event on the **1ST DAY OF AUGUST, 2019**.

The amount of principal money to be advanced under and secured by this mortgage is the sum of **THIRTY SEVEN MILLION EIGHT HUNDRED THIRTY-FIVE THOUSAND ($37,835,000.00) DOLLARS.**

The rate of interest chargeable thereon is **EIGHT (8.00%) PERCENT** per annum, calculated half yearly and not in advance."

4. In the circumstances, Paragraph 31 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 31:

"31. CANCELLATION and CLOSE OUT DATE

THIS MORTGAGE MAY be cancelled by the Mortgagee, at its sole option, if:

(a) Due to the failure, for any reason, of the Mortgagor or any Guarantor or Additional Covenantor, if any, to satisfy any of the provisions or requirements hereof, the Mortgagee has not been willing or able to make a disbursement of the Mortgage Loan Amount on or before **AUGUST 31, 2017**; or

(b) The Mortgagor is in breach of any provisions, representations, or warranties herein.

IF THE WHOLE of the principal of this Mortgage has not been disbursed on or before **MAY 31, 2019** (the "Close Out Date") the Mortgagee may, in its own discretion, close out this loan at the amount then advanced, if any, OR charge a Standby Fee of 8.00% per annum compounded semi-annually on the remaining balance to be advanced with the interest accruing thereon being paid monthly."

5. For better securing to the Mortgagee the repayment in the manner set out in the Mortgage as amended by this Agreement of the Principal Sum and interest and other amounts secured by the Mortgage, the Mortgagor hereby mortgages and charges all the Mortgagor's estate and interest in the Lands.

6. It is further hereby agreed as follows:

    1. This Agreement shall be read and construed along with the Mortgage and shall be treated as part thereof effective as of the date hereof and shall not constitute a novation;

    2. It is declared and agreed that all covenants, clauses, conditions, provisos, powers and things whatsoever contained in the said Mortgage shall apply and relate to the amended terms of payment herein set out as fully and in the same manner as if the same had been fixed in and by the said Mortgage, and any statutory rights in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement; the intention being that this Agreement shall be read and construed along with and treated as part of the said Mortgage, which shall be and continue to be in full force, virtue and effect, except as amended and varied hereby;

    3. And it is further declared and agreed that nothing herein contained shall in any way create any merger or alter, affect or prejudice the rights and priorities of the Mortgagee as against the Mortgagor or any surety or covenantor or any subsequent encumbrancer or other person whomsoever interested in the said lands or liable for the payment of the debt secured by the Mortgage or any part thereof and not a party hereto, or as against any collateral or additional security which the Mortgagee may now or hereafter hold in respect of the debt secured by the Mortgage or any part thereof, all of which rights and priorities are hereby reserved.

    4. The provisions of the Commitment Letter prepared by the Mortgagee dated **JUNE 23, 2015** and accepted by the Mortgagor on **JUNE 23, 2015** (herein called the "Commitment Letter") which are not expressly re-stated herein or in any collateral or other security documentation to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, shall survive the execution and registration of this Mortgage and there shall be no merger of such provisions in the Mortgage or the collateral or other security documents until the Mortgagor and the Mortgagee by an appropriate instrument in writing so declare. If there shall exist any conflict between the terms of the Commitment Letter and the terms of this Mortgage, or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, then the Mortgagee shall determine the terms that take precedence. Reference to the "Commitment Letter" includes the Commitment Letter and all subsequent letters of amendment thereto. A default by the Mortgagor of any covenants under the Commitment Letter shall be a default under this Mortgage.

7. In addition to the foregoing, the Mortgagor shall fulfill all its obligations contained in that Commitment Letter dated **FEBRUARY15, 2019** and accepted by the Mortgagor on **FEBRUARY 15, 2019** a true copy of which is attached hereto marked Schedule "A".

The parties have executed this Agreement as of the date first above written.

Mortgagor: **CAREADON CORP.**

Per: _____
Authorized Officer
TERRY HODGSON

(Affix Corp. Seal)

Mortgagee: **UMC FINANCIAL MANAGEMENT INC.**

Per: _____
Authorized Officer

Per: _____
Authorized Officer

(Affix Corp. Seal)

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

Schedule "A"

February 15, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Renewal and Amendment of $30,000,000.0 First Mortgage
On a Residential Building Located in St. Albert, Alberta

As you are aware, the above mentioned mortgage matured August 1, 2018. This letter will serve as confirmation that the aforementioned first mortgage will be renewed for an additional one (1) year to mature August 1, 2019, as well has been amended as follows:

Amount:	Increase from $30,000,000.00 to $37,835,000.00.
Fire Insurance:	Increased from $30,000,000.00 to $37,835,000.00.
Repayment:	Changed from $228,964.20 to $288,762.02 per month effective the month following the release of the final holdback.
Taxes:	This amendment letter is subject to confirmation that you have paid the property taxes for the fiscal years 2017 and 2018.
Title Insurance:	Changes as required.
Close Out Date:	Changed from May 31, 2017 to May 31, 2019. Holding fee outstanding for the period May 31, 2017 to February 15, 2019 is yet to be determined.
Guarantors:	1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be added as Corporate Guarantors, in the amount of $37,835,000.00 plus applicable accrued interest and expenses, and Alder Investments Group A Trust is to be removed as Guarantor upon lawyer providing verification that the Trust has been dissolved.

An amending agreement will be prepared to reflect the above.

UMC
Financial Management Inc.

Careadon Corp. February 15, 2019

Our fee to increase and to renew the loan from $30,000,000.00 to $37,835,000.00 will be $19,588.00, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter will stay in place.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by February 15, 2019.

Yours very truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

Enclosure

tx\umc mortgage\alder investments group a trust (30,000,000 st. albert)\correspondence\alder investments group a trust (30,000,000) - renewal and amendment letter - 021519 mg.docx

UMC
Financial Management Inc.

Careadon Corp.

February 15, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 15 day of February, 2019. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

MORTGAGE AMENDING AGREEMENT

BRUCE G. NEILL PROFESSIONAL CORPORATION
9625 – 96 STREET NW
Edmonton, AB T6C 3Z1
BRUCE G. NEILL

File: 12179

MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT is made effective JULY 19, 2019

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

RECITALS:

A. The Mortgagor is the registered owner of the lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "Lands") against which Lands the Mortgagee holds a mortgage registered with the North Alberta Land Registration District on NOVEMBER 17, 2015 as Instrument No. 152 356 497 and a mortgage amending agreement registered with the North Alberta Land Registration District on MARCH 4, 2019 as Instrument No. 192 050 766 (hereinafter collectively the "Mortgage").

B. The Mortgagor has requested the Mortgagee to amend certain terms of the Mortgage, which the Mortgagee has agreed to do upon the Mortgagor signing this Agreement.

AGREEMENT:

1. The Mortgage is amended by increasing the Principal Sum from **$37,835,000.00** to **$45,475,000.00;**

2. The monthly payment under the said Mortgage will increase from **$288,762.02** to **$347,071.67** effective on the 1st day of month following the release of the final holdback as determined by the Mortgagee;

3. In the circumstances, Paragraph 1 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 1:

"1) REPAYMENT

THAT THE MORTGAGOR will pay to the Mortgagee at Suite 201, 14020 - 128 Avenue NW, Edmonton, Alberta T5L 4M8 in lawful money of Canada, the sum of **FORTY FIVE MILLION FOUR HUNDRED SEVENTY-FIVE THOUSAND ($45,475,000.00) DOLLARS** with interest thereon (or on so much as shall from time to time remain unpaid) at the rate of

EIGHT (8.00%) PERCENT per annum, calculated half yearly not in advance, as well after as before maturity until paid as follows:

a) Interest at the said rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the **DATE OF ADVANCEMENT OF FUNDS** (hereinafter referred to as the "date for adjustment of interest");

b) The said sum of **FORTY FIVE MILLION FOUR HUNDRED SEVENTY-FIVE THOUSAND ($45,475,000.00) DOLLARS** with interest thereon at the said rate computed from the date for adjustment of interest, shall become due and be paid by monthly instalments of **THREE HUNDRED FORTY SEVEN THOUSAND SEVENTY-ONE 57/100 (347,071.57) DOLLARS** each (which include and shall be applied firstly on interest and secondly on principal) on the 1st day of each and every month in each and every year from the **1st DAY following the release of the final holdback as determined by the Mortgagee**, until the whole of the monies hereby secured is fully paid;

c) The balance of the monies due hereunder to become due and payable in any event on the **1ST DAY OF FEBRUARY, 2020**.

The amount of principal money to be advanced under and secured by this mortgage is the sum of **FORTY FIVE MILLION FOUR HUNDRED SEVENTY-FIVE THOUSAND ($45,475,000.00) DOLLARS.**

The rate of interest chargeable thereon is **EIGHT (8.00%) PERCENT** per annum, calculated half yearly and not in advance."

4. In the circumstances, Paragraph 31 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 31:

"31. CANCELLATION and CLOSE OUT DATE

THIS MORTGAGE MAY be cancelled by the Mortgagee, at its sole option, if:

(a) Due to the failure, for any reason, of the Mortgagor or any Guarantor or Additional Covenantor, if any, to satisfy any of the provisions or requirements hereof, the Mortgagee has not been willing or able to make a disbursement of the Mortgage Loan Amount on or before **AUGUST 31, 2017**; or

(b) The Mortgagor is in breach of any provisions, representations, or warranties herein.

IF THE WHOLE of the principal of this Mortgage has not been disbursed on or before **JANUARY 31, 2020** (the "Close Out Date") the Mortgagee may, in its own discretion, close out this loan at the amount then advanced, if any, OR charge a Standby Fee of

8.00% per annum compounded semi-annually on the remaining balance to be advanced with the interest accruing thereon being paid monthly."

5. For better securing to the Mortgagee the repayment in the manner set out in the Mortgage as amended by this Agreement of the Principal Sum and interest and other amounts secured by the Mortgage, the Mortgagor hereby mortgages and charges all the Mortgagor's estate and interest in the Lands.

6. It is further hereby agreed as follows:

   1. This Agreement shall be read and construed along with the Mortgage and shall be treated as part thereof effective as of the date hereof and shall not constitute a novation;

   2. It is declared and agreed that all covenants, clauses, conditions, provisos, powers and things whatsoever contained in the said Mortgage shall apply and relate to the amended terms of payment herein set out as fully and in the same manner as if the same had been fixed in and by the said Mortgage, and any statutory rights in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement; the intention being that this Agreement shall be read and construed along with and treated as part of the said Mortgage, which shall be and continue to be in full force, virtue and effect, except as amended and varied hereby;

   3. And it is further declared and agreed that nothing herein contained shall in any way create any merger or alter, affect or prejudice the rights and priorities of the Mortgagee as against the Mortgagor or any surety or covenantor or any subsequent encumbrancer or other person whomsoever interested in the said lands or liable for the payment of the debt secured by the Mortgage or any part thereof and not a party hereto, or as against any collateral or additional security which the Mortgagee may now or hereafter hold in respect of the debt secured by the Mortgage or any part thereof, all of which rights and priorities are hereby reserved.

   4. The provisions of the Commitment Letters prepared by the Mortgagee dated **JUNE 23, 2015 and FEBRUARY 16, 2019** and accepted by the Mortgagor on **JUNE 23, 2015 and FEBRUARY 16, 2019** (herein collectively called the "Commitment Letter") which are not expressly re-stated herein or in any collateral or other security documentation to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, shall survive the execution and registration of this Mortgage and there shall be no merger of such provisions in the Mortgage or the collateral or other security documents until the Mortgagor and the Mortgagee by an appropriate instrument in writing so declare. If there shall exist any conflict between the terms of the Commitment Letter and the terms of this Mortgage, or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, then the Mortgagee shall determine the terms that take precedence. Reference to the "Commitment Letter" includes the Commitment Letter and all subsequent letters of amendment thereto. A default by the Mortgagor of any covenants under the Commitment Letter shall be a default under this Mortgage.

7. In addition to the foregoing, the Mortgagor shall fulfill all its obligations contained in that Commitment Letter dated **JULY11, 2019** and accepted by the Mortgagor on **JULY 11, 2019** a true copy of which is attached hereto marked Schedule "A".

The parties have executed this Agreement as of the date first above written.

Mortgagor: **CAREADON CORP.**

Per: _____
Authorized Officer
TERRY HODGSON

(Affix Corp. Seal)

Mortgagee: **UMC FINANCIAL MANAGEMENT INC.**

Per: _____
Authorized Officer

Per: _____
Authorized Officer

(Affix Corp. Seal)

Schedule "A"

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

July 11, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Extension and Amendment of $37,835,000.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

As you are aware, the above mentioned mortgage will mature August 1, 2019. This letter will serve as confirmation that the aforementioned first mortgage will be extended for an additional six (6) months to mature February 1, 2020, as well has been amended as follows:

Amount:	Increased from $37,835,000.00 to $45,475,000.00
Fire Insurance:	Increased from $37,835,000.00 to $45,475,000.00
Repayment:	Changed from $288,762.02 to $347,071.57 per month effective the month following the release of the final holdback
Title Insurance:	Changes as required
Close Out Date:	Changed from May 31, 2019 to January 31, 2020. Holding fee outstanding for the period May 31, 2017 to June 26, 2019 is yet to be determined
Guarantors:	Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $37,835,000.00 to $45,475,000.00 plus applicable accrued interest and expenses.

An amending agreement will be prepared to reflect the above, with all fees to be paid by the borrower.

UMC
Financial Management Inc.

Careadon Corp. July 11, 2019

This extension and amendment is subject to receipt of the following, which are to be to the satisfaction of the lender:

1. Externally prepared financial statements for:

   a) Careadon Corp.
   b) Alder Investments Group Trust 2016
   c) 1978753 Alberta Ltd.

Our fee to increase and extend the loan from $37,835,000.00 to $45,475,000.00 will be $19,100.00, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter and February 15, 2019 amendment letter will stay in place.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by July 17, 2019.

Yours very truly,

DANEKA-LEE PUECH

CLÉMENT LAVOIE

Enclosure

s:\umc mortgage\alder investments group a trust (30,000,000 st. albert)\correspondence\alder investments group a trust (30,000,000) - revised extension and amendment letter - 071119 mg.docx

UMC
Financial Management Inc.

Careadon Corp.

July 11, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 11 day of July, 2019. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

MORTGAGE AMENDING AGREEMENT

BRUCE G. NEILL PROFESSIONAL CORPORATION
9625 – 96 STREET NW
Edmonton, AB T6C 3Z1
BRUCE G. NEILL

File: 12179

MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT is made effective DECEMBER 3, 2019

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

RECITALS:

A. The Mortgagor is the registered owner of the lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "Lands") against which Lands the Mortgagee holds a mortgage registered with the North Alberta Land Registration District on NOVEMBER 17, 2015 as Instrument No. 152 356 497, A mortgage amending agreement registered with the North Alberta Land Registration District on MARCH 4, 2019 as Instrument No. 192 050 766 and a mortgage amending agreement registered with the North Alberta Land Registration District on AUGUST 6, 2019 as Instrument No. 192 184 984 (hereinafter collectively the "Mortgage").

B. The Mortgagor has requested the Mortgagee to amend certain terms of the Mortgage, which the Mortgagee has agreed to do upon the Mortgagor signing this Agreement.

AGREEMENT:

1. The Mortgage is amended by increasing the Principal Sum **from $45,475,000.00 to $51,548,170.00;**

2. The monthly payment under the said Mortgage will increase **from $347,071.57 to $393,422.85** effective on the 1st day of month following the release of the final holdback as determined by the Mortgagee;

3. In the circumstances, Paragraph 1 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 1:

"1) **REPAYMENT**

THAT THE MORTGAGOR will pay to the Mortgagee at Suite 201, 14020 - 128 Avenue NW, Edmonton, Alberta T5L 4M8 in lawful money of Canada, the sum of **FIFTY ONE MILLION FIVE HUNDRED FORTY EIGHT THOUSAND ONE HUNDRED-SEVENTY**

($51,548,170.00) DOLLARS with interest thereon (or on so much as shall from time to time remain unpaid) at the rate of **EIGHT (8.00%) PERCENT** per annum, calculated half yearly not in advance, as well after as before maturity until paid as follows:

a) Interest at the said rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the **DATE OF ADVANCEMENT OF FUNDS** (hereinafter referred to as the "date for adjustment of interest");

b) The said sum of **FIFTY ONE MILLION FIVE HUNDRED FORTY EIGHT THOUSAND ONE HUNDRED-SEVENTY ($51,548,170.00) DOLLARS** with interest thereon at the said rate computed from the date for adjustment of interest, shall become due and be paid by monthly instalments of **THREE HUNDRED NINETY THREE THOUSAND FOUR HUNDRED TWENTY-TWO 85/100 ($393,422.85) DOLLARS** each (which include and shall be applied firstly on interest and secondly on principal) on the 1st day of each and every month in each and every year from the **1st DAY following the release of the final holdback as determined by the Mortgagee**, until the whole of the monies hereby secured is fully paid;

c) The balance of the monies due hereunder to become due and payable in any event on the **1ST DAY OF FEBRUARY, 2020**.

The amount of principal money to be advanced under and secured by this mortgage is the sum of **FIFTY ONE MILLION FIVE HUNDRED FORTY EIGHT THOUSAND ONE HUNDRED-SEVENTY ($51,548,170.00) DOLLARS.**

The rate of interest chargeable thereon is **EIGHT (8.00%) PERCENT** per annum, calculated half yearly and not in advance."

4. In the circumstances, Paragraph 31 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 31:

"31. CANCELLATION and CLOSE OUT DATE

THIS MORTGAGE MAY be cancelled by the Mortgagee, at its sole option, if:

(a) Due to the failure, for any reason, of the Mortgagor or any Guarantor or Additional Covenantor, if any, to satisfy any of the provisions or requirements hereof, the Mortgagee has not been willing or able to make a disbursement of the Mortgage Loan Amount on or before **AUGUST 31, 2017**; or

(b) The Mortgagor is in breach of any provisions, representations, or warranties herein.

IF THE WHOLE of the principal of this Mortgage has not been disbursed on or before **APRIL 30, 2020** (the "Close Out Date") the Mortgagee may, in its own discretion, close out

this loan at the amount then advanced, if any, OR charge a Standby Fee of 8.00% per annum compounded semi-annually on the remaining balance to be advanced with the interest accruing thereon being paid monthly."

5. For better securing to the Mortgagee the repayment in the manner set out in the Mortgage as amended by this Agreement of the Principal Sum and interest and other amounts secured by the Mortgage, the Mortgagor hereby mortgages and charges all the Mortgagor's estate and interest in the Lands.

6. It is further hereby agreed as follows:

    1. This Agreement shall be read and construed along with the Mortgage and shall be treated as part thereof effective as of the date hereof and shall not constitute a novation;

    2. It is declared and agreed that all covenants, clauses, conditions, provisos, powers and things whatsoever contained in the said Mortgage shall apply and relate to the amended terms of payment herein set out as fully and in the same manner as if the same had been fixed in and by the said Mortgage, and any statutory rights in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement; the intention being that this Agreement shall be read and construed along with and treated as part of the said Mortgage, which shall be and continue to be in full force, virtue and effect, except as amended and varied hereby;

    3. And it is further declared and agreed that nothing herein contained shall in any way create any merger or alter, affect or prejudice the rights and priorities of the Mortgagee as against the Mortgagor or any surety or covenantor or any subsequent encumbrancer or other person whomsoever interested in the said lands or liable for the payment of the debt secured by the Mortgage or any part thereof and not a party hereto, or as against any collateral or additional security which the Mortgagee may now or hereafter hold in respect of the debt secured by the Mortgage or any part thereof, all of which rights and priorities are hereby reserved.

    4. The provisions of the Commitment Letters prepared by the Mortgagee dated **JUNE 23, 2015, FEBRUARY 15, 2019 and JULY 11, 2019** and accepted by the Mortgagor on **JUNE 23, 2015, FEBRUARY 15, 2019 and JULY 11, 2019** (herein collectively called the "Commitment Letter") which are not expressly re-stated herein or in any collateral or other security documentation to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, shall survive the execution and registration of this Mortgage and there shall be no merger of such provisions in the Mortgage or the collateral or other security documents until the Mortgagor and the Mortgagee by an appropriate instrument in writing so declare. If there shall exist any conflict between the terms of the Commitment Letter and the terms of this Mortgage, or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, then the Mortgagee shall determine the terms that take precedence. Reference to the "Commitment

Letter" includes the Commitment Letter and all subsequent letters of amendment thereto. A default by the Mortgagor of any covenants under the Commitment Letter shall be a default under this Mortgage.

7. In addition to the foregoing, the Mortgagor shall fulfill all its obligations contained in that Commitment Letter dated **NOVEMBER 29, 2019** and accepted by the Mortgagor on **NOVEMBER 29, 2019** a true copy of which is attached hereto marked Schedule "A".

The parties have executed this Agreement as of the date first above written.

Mortgagor: **CAREADON CORP.**

Per: _____
Authorized Officer
TERRY HODGSON

(Affix Corp. Seal)

Mortgagee: **UMC FINANCIAL MANAGEMENT INC.**

Per: _____
Authorized Officer

Per: _____
Authorized Officer

(Affix Corp. Seal)

Schedule "A"

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

November 29, 2019

DELIVERED BY HAND

Careadon Corp.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: Amendment of $45,475,000.00 First Mortgage
On a Residential Building Located in St. Albert, Alberta

This letter will serve as confirmation that the above stated mortgage has been amended as follows:

Amount:	Increased from $45,475,000.00 to $51,548,170.00
Fire Insurance:	Increased from $45,475,000.00 to $51,548,170.00
Repayment:	Changed from $347,071.57 to $393,422.85 per month effective the month following the release of the final holdback
Title Insurance:	Changes as required
Close Out Date:	Changed from January 31, 2019 to April 30, 2020. Holding fee outstanding for the period May 31, 2017 to June 26, 2019 is yet to be determined
Guarantors:	Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $45,475,000.00 to $51,548,170.00 plus applicable accrued interest and expenses.

An amending agreement will be prepared to reflect the above, with all fees to be paid by the borrower.

This amendment is subject to receipt of the following, which is to be to the satisfaction of the lender:

- Receipt of third-party confirmation of the value of the project.

UMC
Financial Management Inc

Careadon Corp. November 29, 2019

Our fee to increase the loan from $45,475,000.00 to $51,548,170.00 will be $15,183.00, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter, February 15, 2019 amendment letter and July 11, 2019 amendment letter will stay in force and effect.

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by November 29, 2019.

Yours very truly,

DANEKA-LEE PUECH CLÉMENT LAVOIE

Enclosure

u:\umc mortgage\alder investments group a trust (45,475,000 st. albert)\correspondence\alder investments group a trust (45,475,000) - amendment letter - 112919 rag.docx

UMC
Financial Management Inc.

Careadon Corp. November 29, 2019

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 29 day of November, 2019. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____ (seal)

1978753 ALBERTA LTD

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5J 3W8

Attention: Mr. Allan Farmer
Phone #: 780-425-9510

Name and address of all of the directors of the borrowing company:

Name	Address
Terry Hodgson	166 Westridge Road Edmonton, AB T5T 1B8

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

MORTGAGE AMENDING AGREEMENT

BRUCE G. NEILL PROFESSIONAL CORPORATION
9625 – 96 STREET NW
Edmonton, AB T6C 3Z1
BRUCE G. NEILL

File: 12179

MORTGAGE AMENDING AGREEMENT

THIS MORTGAGE AMENDING AGREEMENT is made the 21 day of April, 2021.

AMONG:

CAREADON CORP.
A corporation incorporated pursuant to the laws of the Province of Alberta
(the "**Mortgagor**")

- and -

UMC FINANCIAL MANAGEMENT INC.
A corporation incorporated pursuant to the laws of the Province of Alberta
(the "**Mortgagee**")

RECITALS:

A. Whereas by certain mortgage registered in the Alberta Land Titles Office on November 17, 2015 as Instrument Number 152 356 497 (the "**Mortgage**"), the Mortgagor mortgaged to the Mortgagee those lands in the Province of Alberta legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS
   (the "**Lands**")

B. The Mortgagor is the registered owner an estate in fee simple of the Lands,

C. The Mortgagee has made financial accommodations to the Mortgagor and affiliates of the Mortgagor, and in consideration of, and as a condition of granting such accommodations, requires that the Mortgagor enter into this Mortgage Amending Agreement,

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Mortgagor hereby acknowledges, the Mortgagor covenants and agrees with the Mortgagee as follows:

1. The Mortgage is amended by inclusion of the following provisions:

   In respect of 2003596 Alberta Ltd., 2067120 Alberta Ltd, 1978753 Alberta Ltd., and Careadon Corp. (each, individually, an "**Indebted Party**"), and respecting all

indebtedness, liabilities, and obligations (the "**Obligations**") of an Indebted Party to the Lender, whether joint and several or not, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid to the Lender in any currency, the occurrence of (i) the failure of an Indebted Party to pay or perform any of its Obligations when due, or (ii) any other default by an Indebted Party under the terms of any loan or other agreements or security in relation thereto with the Lender, or (iii) any demand for payment or performance validly made by the Lender to an Indebted Party pursuant to the any loan or other agreements or security in relation thereto and that is not met in accordance with the terms of the demand or within any applicable grace period, shall be deemed a default by the Mortgagee hereunder.

2. All other security granted by the Mortgagor to the Mortgagee in relation to the indebtedness, liabilities or obligations of the Mortgagor to the Mortgagee shall, where applicable, be deemed to incorporate the amendments set forth herein with any necessary modification.

3. Further:

   (a) References herein to the Mortgage are to the Mortgage as previously amended by mortgage amending agreements reflected on title as of the date hereof.

   (b) Any definitions used herein but not contained in the Mortgage shall apply only to this Mortgage Amending Agreement.

   (c) Any definitions used herein and also used in the Mortgage and that are inconsistent with or conflict with their usage in the Mortgage shall separately have the definition provided for herein for the limited purpose of the additional provisions herein added to the Mortgage and shall separately have the definition provided for in the Mortgage for the purposes of the Mortgage without reference to this Mortgage Amending Agreement.

   (d) Subject to the foregoing, this Mortgage Amending Agreement shall be read and interpreted with the Mortgage, which together shall be treated as one instrument with the amendments set forth herein; and

   (e) Except as expressly amended herein, all other covenants contained in the Mortgage remain in full force and effect.

4. The Mortgagor agrees that the representations and warranties in favour of the Mortgagee set out in the Mortgage are hereby repeated.

5. For better securing to the Mortgagee the repayment in the manner set out in the Mortgage of the principal and interest secured by the Mortgage as amended hereby,

and for the due performance by the Mortgagor of all of the covenants, provisos and conditions expressed or implied in the Mortgage as amended hereby, the Mortgagor hereby mortgages and charges all its estate and interest in the Lands to the Mortgagee.

6. This Mortgage Amending Agreement enures to the benefit of, and is binding upon, the parties and their respective successors and permitted assigns.

7. Copies of this Mortgage Amending Agreement may be executed in any number of counterparts, with the same effect as if all parties had signed the same original hard copy instrument.

IN WITNESS WHEREOF the parties have executed this Mortgage Amending Agreement as of the date first written above.

UMC FINANCIAL MANAGEMENT INC.

Per: _____
c/s

CAREADON CORP.

Per: _____
c/s

MORTGAGE AMENDING AGREEMENT

THIS AGREEMENT is made effective MARCH 15, 2022

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

RECITALS:

A. The Mortgagor is the registered owner of the lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "Lands") against which Lands the Mortgagee holds a mortgage registered with the North Alberta Land Registration District on NOVEMBER 17, 2015 as Instrument No. 152 356 497, a mortgage amending agreement registered with the North Alberta Land Registration District on MARCH 4, 2019 as Instrument No. 192 050 766, a mortgage amending agreement registered with the North Alberta Land Registration District on AUGUST 6, 2019 as Instrument No. 192 184 984, a mortgage amending agreement registered with the North Alberta Land Registration District on DECEMBER 16, 2019 as Instrument No. 192 304 464, and a mortgage amending agreement registered with the North Alberta Land Registration District on JUNE 14, 2021 as Instrument No. 212 131 364, (hereinafter collectively the "Mortgage").

B. The Mortgagor has requested the Mortgagee to amend certain terms of the Mortgage, which the Mortgagee has agreed to do upon the Mortgagor signing this Agreement.

AGREEMENT:

1. The Mortgage is amended by increasing the Principal Sum **from $51,648,170.00 to $65,000,000.00;**

2. The monthly payment under the said Mortgage **will increase from $393,422.85 to $496,089.10** effective on the 1st day of month following the release of the final holdback as determined by the Mortgagee or October 1, 2022, whichever comes first;

3. In the circumstances, Paragraph 1 of the said Mortgage is herewith deleted and replaced with the following new Paragraph 1:

"1) **REPAYMENT**

THAT THE MORTGAGOR will pay to the Mortgagee at Suite 201, 14020 - 128 Avenue NW, Edmonton, Alberta T5L 4M8 in lawful money of Canada, the sum of **SIXTY FIVE MILLION ($65,000,000.00) DOLLARS** with interest thereon (or on so much as shall from time to time remain unpaid) at the rate of **EIGHT (8.00%) PERCENT** per annum, calculated half yearly not in advance, as well after as before maturity until paid as follows:

a) Interest at the said rate on the amounts from time to time advanced, computed from the respective dates of such advances, shall become due and be paid on the **DATE OF ADVANCEMENT OF FUNDS** (hereinafter referred to as the "date for adjustment of interest");

b) The said sum of **SIXTY FIVE MILLION ($65,000,000.00) DOLLARS** with interest thereon at the said rate computed from the date for adjustment of interest, shall become due and be paid by monthly instalments of **FOUR HUNDRED NINETY SIX THOUSAND EIGHTY-NINE 10/100 ($496,089.10) DOLLARS** each (which include and shall be applied firstly on interest and secondly on principal) on the 1st day of each and every month in each and every year from the **1st DAY following the release of the final holdback as determined by the Mortgagee or October 1, 2022 whichever occurs first**, until the whole of the monies hereby secured is fully paid;

c) The balance of the monies due hereunder to become due and payable in any event on the **31ST DAY OF DECEMBER, 2022**.

The amount of principal money to be advanced under and secured by this mortgage is the sum of **SIXTY FIVE MILLION ($65,000,000.00) DOLLARS.**

The rate of interest chargeable thereon is **EIGHT (8.00%) PERCENT** per annum, calculated half yearly and not in advance."

4. For better securing to the Mortgagee the repayment in the manner set out in the Mortgage as amended by this Agreement of the Principal Sum and interest and other amounts secured by the Mortgage, the Mortgagor hereby mortgages and charges all the Mortgagor's estate and interest in the Lands.

5. It is further hereby agreed as follows:

1. This Agreement shall be read and construed along with the Mortgage and shall be treated as part thereof effective as of the date hereof and shall not constitute a novation;

2. It is declared and agreed that all covenants, clauses, conditions, provisos, powers and things whatsoever contained in the said Mortgage shall apply and relate to the amended terms of payment herein set out as fully and in the same manner as if the same had been fixed in and by the said Mortgage, and any statutory rights in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement; the intention being that this Agreement shall be read and construed along with and treated as part of the said Mortgage, which shall be and continue to be in full force, virtue and effect, except as amended and varied hereby;

3. And it is further declared and agreed that nothing herein contained shall in any way create any merger or alter, affect or prejudice the rights and priorities of the Mortgagee as against the Mortgagor or any surety or covenantor or any subsequent encumbrancer or other person whomsoever interested in the said lands or liable for the payment of the debt secured by the Mortgage or any part thereof and not a party hereto, or as against any collateral or additional security which the Mortgagee may now or hereafter hold in respect of the debt secured by the Mortgage or any part thereof, all of which rights and priorities are hereby reserved.

4. The provisions of the Commitment Letters prepared by the Mortgagee dated **JUNE 23, 2015, FEBRUARY 15, 2019, JULY 11, 2019, NOVEMBER 29, 2019 and JANUARY 15, 2021** and accepted by the Mortgagor on **JUNE 23, 2015, FEBRUARY 15, 2019, JULY 11, 2019, NOVEMBER 29, 2019 and JANUARY 15, 2021** (herein collectively called the "Commitment Letter") which are not expressly re-stated herein or in any collateral or other security documentation to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, shall survive the execution and registration of this Mortgage and there shall be no merger of such provisions in the Mortgage or the collateral or other security documents until the Mortgagor and the Mortgagee by an appropriate instrument in writing so declare. If there shall exist any conflict between the terms of the Commitment Letter and the terms of this Mortgage, or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor, or any Guarantors, then the Mortgagee shall determine the terms that take precedence. Reference to the "Commitment Letter" includes the Commitment Letter and all subsequent letters of amendment thereto. A default by the Mortgagor of any covenants under the Commitment Letter shall be a default under this Mortgage.

6. In addition to the foregoing, the Mortgagor shall fulfill all its obligations contained in that Commitment Letter dated **FEBRUARY 24, 2022** and accepted by the Mortgagor on **FEBRUARY 24, 2022** a true copy of which is attached hereto marked Schedule "A".

The parties have executed this Agreement as of the date first above written.

Mortgagor: **CAREADON CORP.**

Per: _____
Authorized Officer
TERRY HODGSON

(Affix Corp. Seal)

Mortgagee: **UMC FINANCIAL MANAGEMENT INC.**

Per: _____
Authorized Officer

Per: _____
Authorized Officer

(Affix Corp. Seal)

CONSENT OF GUARANTORS:

WE, the undersigned Guarantors in respect of the within Mortgage registered as **Instrument Numbers 152 356 497, 192 050 766, 192 184 964, 192 304 464 and 212 131 384** hereby unconditionally consent to the amendments of the terms of the Mortgage loan as indicated herein, and that such amendments will in no manner release the undersigned from our obligations to UMC Financial Management Inc.

ALDER INVESTMENT GROUP TRUST 2016

Per: _____
TERENCE B. HODGSON

1978753 ALBERTA LTD

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

2067120 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

2003596 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

1097016 B.C. LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

2003596 ALBERTA LTD.

Per: _____
TERENCE B. HODGSON

(Affix Corporate Seal)

AFFIDAVIT OF EXECUTION FOR WITNESS

CANADA
PROVINCE OF ALBERTA
TO WIT:

I, R. ALLAN FARMER, of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

1. I was personally present and did see **TERENCE B. HODGSON** named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.

3. That I know the said persons and they are in my belief of the full age of eighteen years.

SWORN before me at)
Edmonton, in the Province of)
Alberta, this 15 day of)
MARCH, 2022)

_____
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

DIANA MONICA BRINCO
Commissioner for Oaths in and for Alberta
My Commission Expires: March 29, 2022

AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY

I, TERENCE B. HODGSON, of Edmonton, ALBERTA, MAKE OATH AND SAY:

1. I am an officer and director of 1978753 ALBERTA LTD., 2067120 ALBERTA LTD., 2003595 ALBERTA LTD., 1097016 B.C. LTD. and 2003595 ALBERTA LTD. named in the within or annexed instrument.

2. I am authorized by the said corporations to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at Edmonton)
in the Province of ALBERTA,)
this 16 day of MARCH, 2022.)
)

TERENCE B. HODGSON

A Commissioner for OATHS IN AND
FOR THE PROVINCE OF ALBERTA

JOHN PAUL JANSSENS
BARRISTER & SOLICITOR

UMC
Financial Management Inc.
SUITE 201, 14020-128 AVE, EDMONTON, AB T5L 4M8 t 780-421-4141 f 780-429-0046 tf 1-888-862-7200

February 24, 2022

DELIVERED BY HAND

Careadon Corp., and
1097016 B.C. Ltd.
166 Westridge Road
Edmonton, AB T5T 1B8

Attention: Mr. Terry Hodgson

Dear Terry:

Re: $51,548,170.00 Mortgage on Residential Project in St. Albert, Alberta
And $20,000,000.00 Mortgage on Project in Kelowna, British Columbia

Further to our conversations regarding the above noted projects, and subsequent to the term sheet dated July 16, 2021, in regard to the St. Albert project that you received from Harbour Mortgage Corp., the following is our understanding:

- You need approximately $3.8 million in order to complete the St. Albert residential project (Careadon)
- The St. Albert residential project is estimated to be fully completed by the end May 2022
- You have revised your budget for the St. Albert project to reflect the change in the prices that you are experiencing. The total final revision is for an additional $4,000,000.
- You have $2 million cash that you can inject in the project

Based on the above we will be able to fund the estimated shortfall, estimated to be a maximum of $3,793,000.00, at our discretion, that is needed for the St. Albert project, subject to the following amendments on the above noted mortgages:

Amount:	Increase the existing second mortgage on the St. Albert property (known legally as Plan 0726888, Block 1, Lot 4 and Plan 8222568, Lot 1, from $51,548,170 to $65,000,000
Repayment:	Changed from $393,422.85 to $496,089.10 per month, effective the month following the release of the final holdback or October 1, 2022, whichever comes first
Title Insurance:	Changes as required

UMC
Financial Management Inc.

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

Guarantors: Corporate Guarantees of 1978753 Alberta Ltd. and Alder Investments Group Trust 2016 are to be increased from $51,548,170 to $65,000,000 plus applicable accrued interest and expenses.

Additional Security/Terms:

- Second mortgage on the Kelowna project, legally known as Plan EPP8620, Lot 1, Section 1, Township 26, ODYD (PID: 028-452-160) in the amount of $35 million (this is to cover the 1st mortgage that Harbour Mortgage put on the St. Albert project, the current overage of our mortgage balance on the approved mortgage amount and the amendment)

- Corporate guarantees of Kota Contracting Ltd., 2067120 Alberta Ltd., 1978753 Alberta Ltd. and 1097016 B.C. Ltd.

- The mortgage term will be renewed until December 31, 2022, upon which UMC is to be paid out in full on both Kelowna and St. Albert mortgages

This amendment is subject to receipt of the following, which is to be to the satisfaction of the Lender:

- Receipt of proof of a minimum $1,500,233.00 cash available to be injected in the project, $750,000.00 which is to be confirmed within 30 days and the remaining $750,233.00 to be confirmed by May 15, 2022
- Revised budget showing a shortfall of $5,293,223.00
- Revised timeline for the advances for the shortfall
- Timeline showing targeted deliverables for the project, showing a completion date of July 31, 2022
- Written confirmation from Harbour Mortgage Corp. that they will completely fund their mortgage in a timely manner, so to not put the project in St. Albert in jeopardy or cause it to fall behind due to lack of funds and non-payment to subcontractors and suppliers. In addition, written confirmation that they will fund on a percentage completion (based on the April, 2021 budget) as the project progresses

Our fee to increase the loan from $51,548,170 to $65,000,000 will be $55,000.00, plus a site inspection fee of $1,250.00 plus GST for each draw, which is due and payable upon signing of this letter and will be deduced from the next advance. All terms and conditions of our June 23, 2015 commitment letter, February 15, 2019 amendment letter, July 11, 2019 amendment letter, November 29, 2019 and January 15, 2021 amendment (postponement) letter will stay in force and effect.

UMC
Financial Management Inc.

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

If the above terms and conditions of this amendment are agreeable to you, please sign and return a copy of this letter to our office by February 28, 2022.

Yours very truly,

DANEKA PUECH

CLEMENT LAVOIE

u:\umc mortgage\alder investments group a trust (65,000,000 formerly 51,548,170 formerly 45,475,000 st. albert)\correspondence\alder investments group a trust - 1097016 bc proposed 3.8 million amendment - 031122 mg.docx

UMC
Financial Management Inc.

Careadon Corp., and
1097016 B.C. Ltd.

February 24, 2022

ACCEPTANCE:

Accepted at Edmonton, Alberta, dated this 24th day of February 2022. We hereby accept the above terms and conditions.

CAREADON CORP.

Per: _____ (seal)

As Guarantors:

ALDER INVESTMENT GROUP TRUST 2016

Per: _____

1978753 ALBERTA LTD.

Per: _____

2067120 ALBERTA LTD.

Per: _____

2003596 ALBERTA LTD.

Per: _____

1097016 B.C. LTD.

Per: _____

2003595 ALBERTA LTD.

Per: _____

Name and address of solicitors:

Reynolds Mirth Richards & Farmer LLP
3200 Manulife Place
10180 – 101 Street
Edmonton, AB T5T 3W8

Attention: Mr. R. Allan Farmer, Q.C.
Phone #: 780-497-3360
Email: rfarmer@rmrf.com

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, Terence B. Hodgson, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

1. I am an officer of 1097016 B.C. Ltd. named in the within instrument;

2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the
City of Edmonton,
in the Province of Alberta
this 15 day of March, 2022.

A Commissioner for Oaths in and for
the Province of Alberta

TERENCE B. HODGSON

AFFIDAVIT OF ATTESTATION OF AN INSTRUMENT

I, Robert Allan Farmer, of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

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

2. The instrument was signed at Edmonton, in the Province of Alberta and I am the subscribing witness thereto;

3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at the
City of Edmonton
in the Province of Alberta
this 15 day of March, 2022.

A Commissioner for Oaths in and for
the Province of Alberta

DIANA MONICA BRINCO
Commissioner for Oaths in and for Alberta
My Commission Expires: March 29, 2022

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
(the "Mortgagee")

-and -

CAREADON CORP.
(the "Mortgagor")

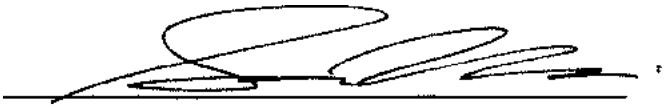
DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

MORTGAGE AMENDING AGREEMENT

BRUCE G. NEILL PROFESSIONAL CORPORATION
9625 – 96 STREET NW
Edmonton, AB T6C 3Z1
BRUCE G. NEILL

File: 22 1015

This is **Exhibit "U"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023



A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

GENERAL ASSIGNMENT OF LEASES AND RENTS

BETWEEN:

CAREADON CORP.

(hereinafter called the "Borrower")

- and -

UMC FINANCIAL MANAGEMENT INC.

(hereinafter called the "Lender")

RECITAL:

A. As continuing security for the payment and performance of all debts, liabilities and obligations of the Borrower to the Lender howsoever arising (present and future, absolute and contingent, direct and indirect) (the "indebtedness") and for value received, the receipt and sufficiency of which the Borrower acknowledges, the Borrower has agreed to assign to the Lender all leases, licences, tenancy agreements or rights of use or occupation of every kind in respect of the lands described in Schedule "A" hereto (the "Premises") or any part thereof (which, as may be amended, extended, renewed or replaced from time to time are herein individually called a "Lease" and collectively the "Leases") and all rents and other payments now or hereafter due under the Leases (the "Rents");

AGREEMENT:

The Borrower agrees with the Lender as follows:

1. The Borrower assigns to the Lender:

   (a) all Leases;
   (b) all Rents;
   (c) the benefit of all guarantees of the Leases; and
   (d) the benefit of all covenants by all tenants, lessees, users, occupiers and licensees of the Premises (collectively called the "Lessees");

with full power and authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents, to enforce payment thereof and to enforce performance of all the Leases in the name of and as agent for the Borrower.

2. All Rents shall be recoverable as rent in arrears. Wherever the Lender is entitled to levy distress against the goods and personal property of any of the Lessees or to re-enter the premises described in any Lease, the Lender may use such force as it sees fit without being liable to any action in respect thereof or for any loss or damage occasioned thereby. The Borrower releases the Lender from all actions, proceedings, claims or demands in respect of any such forceable entry or any loss or damage sustained by the Borrower in respect thereof.

3. Notwithstanding any variation of the terms of any agreement or arrangement with the

Borrower or any extension of time for payment or any release of part or parts of the Premises, or of any collateral security, this Assignment shall continue as security until the Indebtedness and all terms of any agreement or agreements between the Borrower and the Lender in respect of the Indebtedness are fully paid and satisfied.

4. Although this is a present Assignment, the Lender shall not exercise its rights hereunder until the Lender determines that default has been made in payment of the indebtedness, or any part thereof, or in the performance of any term contained in any agreement between the Lender and the Borrower in respect of the Indebtedness.

5. The Lender may waive any default and shall not be bound to serve any notice on any Lessees on the happening of any default. No waiver shall extend to any subsequent default.

6. The Lender is not responsible for collecting any Rents or performing any terms under any Lease. The Lender shall not be a mortgagee in possession of the Premises by virtue of this Assignment or by virtue of anything done or omitted to be done by the Lender in respect of this Assignment. The Lender is not under any obligation to take any action or exercise any remedy in the collection or recovery of any Rents or to see to or enforce the performance of any terms of any Lease.

7. The Lender shall only be liable to account for moneys which actually come into its hands by virtue of this Assignment, after deduction of all collection charges, inspection fees and other expenses (including legal fees as between a solicitor and his own client on a full indemnity basis) to which the Lender may be put in respect of this Assignment and all moneys received by the Lender shall be applied on account of any such part of the Indebtedness.

8. The Borrower shall not, without the consent in writing of the Lender:

(a) assign, pledge or hypothecate the whole or any part of any Leases or Rents other than to the Lender;
(b) do or permit or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Borrower or obligations of any other party under or in respect of any Lease;
(c) terminate, accept a surrender of or amend in any manner any Lease other than month to month tenancies; or
(d) receive or permit the prepayment of any Rent for more than two months in advance.

9. The Borrower will from time to time on demand furnish to the Lender a current list of all leases in such detail as the Lender requires.

10. The Borrower shall execute such further documents as are required by the Lender from time to time to perfect this Assignment.

11. This Assignment is taken by way of additional security only. Neither the taking of this Assignment nor anything done in respect of this Assignment shall in any way prejudice or limit the rights of the Lender or the obligations of the Borrower under any agreement between the Borrower and the Lender or any collateral security thereto.

12. The Borrower will at the request of the Lender from time to time give any of the Lessees notice of this Assignment and will obtain from those Lessees acknowledgement of such notice. The notice and acknowledgement shall be in the form required by the Lender and such notice (or any notice of this Assignment given by the Lender) shall be effective and binding on each Lessee upon the Lender giving the Lessee notice that the Borrower has defaulted under the terms of any agreement between the Lender and the Borrower, whether or not there has actually been a default under such agreement.

13. The rights and remedies given to the Lender hereunder are in addition to and not in substitution for and shall not in any way derogate from or delay or prejudice any rights or remedies to which the Lender may be entitled under or in respect of any other agreement between the Borrower and the Lender.

14. The Borrower warrants and represents to the Lender that:

(a) none of the Leases or the Borrower's rights thereunder, including the right to receive the Rents, has been or will be amended , sublet, assigned, encumbered, discounted, anticipated, waived, reduced, released or abated without the prior written consent of the Lender;
(b) none of the Rents has been or will be paid prior to the due date for payment thereof other than as permitted by Paragraph 8(d) hereof;
(c) there has been no default under any Lease by any of the parties thereto;
(d) there is no outstanding dispute under any Lease between the Borrower and any of the Lessees;
(e) the Borrower has performed and will perform all of its obligations under each Lease;
(f) each Lease at the date hereof is valid, enforceable and in full force and effect;
(g) the Borrower now has good right, full power and absolute authority to assign its rights in accordance with this Assignment.

15. The Borrower charges the Premises to the Lender to secure the due performance of this Assignment and the payments of all Rents to the Lender.

16. The Lender or its agent may forthwith register this Assignment at such Registry Office as the Lender sees fit. The Borrower shall not take any steps to challenge or remove any instrument or notice filed in respect of this Assignment until the Indebtedness and all terms of any agreement between the Borrower and the Lender in respect of the Indebtedness are fully paid and satisfied.

17. In this Assignment, "Borrower", "Borrowers" and "Lender" include the heirs, executors, administrators, successors and assigns of the Borrower and Lender respectively; the singular number and masculine and neuter genders include the masculine, feminine and neuter genders and the plural number when the context so requires; and "term" or "terms" include conditions, covenants, agreements, stipulations, provisions and obligations. If this Assignment is executed by more than one person as Borrower, all terms herein contained are binding on all Borrowers jointly and severally.

The Borrower has executed this Assignment the 13 day of AUGUST, 2015.

THE BORROWER: **CAREADON CORP.**

Per: _____
TERRY B. HODGSON

(Affix C/S)

SCHEDULE "A"

(Legal Description of the Premises)

PLAN 0726868
BLOCK 1
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.872 HECTARES (2.15 ACRES) MORE OR LESS

and

PLAN 8222568
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

This is **Exhibit "V"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

INTERCREDITOR AGREEMENT

THIS AGREEMENT is made and effective as of the 20th day of April, 2021 (the "**Effective Date**").

BETWEEN:

UMC FINANCIAL MANAGEMENT INC.
A corporation incorporated pursuant to the laws of the Province of Alberta
(the "**Original Lender**")

- and -

HMT HOLDINGS INC.
A corporation extra-provincially registered in the Province of Alberta
(the "**New Lender**")

RECITALS:

A. Whereas Careadon Corp. (the "**Borrower**") holds title to the Lands (hereafter defined), and is in the process of constructing on the Lands a multiunit residential building (the "**Project**");

B. The Borrower is indebted to the Original Lender, and as security for such indebtedness the Borrower, inter alia, granted to the Original Lender a mortgage against title to the Lands, which mortgage has been amended from time to time as the Borrower's indebtedness to the Original Lender increased with advances made by Original Lender to the Borrower;

C. The Borrower requires additional funding to complete the Project;

D. The New Lender is prepared to provide the Borrower the New Loan Facility (hereafter defined) to finance the completion of the Project. As a condition of providing the New Loan Facility, the New Lender requires the subordination of the Original Mortgage (hereafter defined), and the Original Lender is prepared to provide such subordination, all on the terms of this Agreement,

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties to each other, the parties agree as follows:

Section 1 - Interpretation

(1) In this Agreement, the following terms have the following assigned meanings:

(a) "**Commitment Letter**" means the letter agreement between the Borrower and the New Lender attached as Schedule "A" hereto.

(b) "**Lands**" – means those lands legally described as:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(c) "**New Mortgage**" – means the mortgage and assignment of leases and rents to be registered against title to the Lands as security for the New Loan Facility, the Collateral Agreement between the New Lender and Borrower dated April 30, 2021 and registered in the Personal Property Registry of Alberta as Registration Number 21042207546, and a general security agreement taken by the New Lender from the Borrower, registered in the Personal Property Registry of Alberta as Registration Number 21042207028, so far as that general security agreement relates to the Borrower and the Lands.

(d) "**New Loan Facility**" – means the construction financing to be provided by the New Lender to the Borrower under the Commitment Letter.

(e) "**Original Mortgage**" – means, collectively, the mortgaged registered against title to the Lands on November 17, 2015, as instrument number 152 356 497, as amended from time to time by mortgage amending agreements registered against title to the Lands, which amending agreements are reflected on title to the Lands as at the date hereof, the assignment of leases and rents registered against title to the Lands on November 17, 2015, by way of caveat as instrument number 152 356 498, and the security agreement registrations registered by the Original Lender against the Borrower in the Personal Property Registry of Alberta, being registrations 15081330435, as amended from time to time, which amending agreements are reflected in the Personal Property Registry as at the date hereof, and 15081328565 as amended from time to time, which amending agreements are reflected in the Personal Property Registry as at the date hereof.

(f) "**Original Loan Facility**" – means the construction financing previously provided by the Original Lender to the Borrower in relation to the Property, with the balance of same being $54,830,257.11 in principal and interest accrued to March 1, 2021, with interest continuing to accrue thereafter.

(2) The recitals to this Agreement are true and correct and form a binding part of this Agreement.

(3) This Agreement constitutes the entire agreement between the parties with respect to all of the matters contained herein and its execution has not been induced by, nor does any party rely upon or regard as material, any representations, warranties, or other covenants, whether oral or written, not contained in this Agreement.

(4) This Agreement shall be read with all changes in gender or number wherever required by context.

(5) The division of this Agreement into articles or sections and the insertion of headings is for convenience only and shall not affect the construction or interpretation of this Agreement.

(6) This Agreement is governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereby attorn to the exclusive jurisdiction of the Courts of competent jurisdiction in the City of Edmonton in the Province of Alberta.

Section 2 - Subordination

(1) Upon the execution of this Agreement, the New Lender shall pay, out of the New Loan Facility, the sum of $1,436,150.00 (the "**Paydown**") to the solicitors for the Borrower, in trust for the Original Lender, which sum is to be applied by the Original Lender to repayment of the Original Loan Facility. The Paydown is and shall be deemed a draw by the Borrower under the New Loan Facility and not a payment or loan of any kind by the New Lender to the Original Lender. The Original Lender may apply the Paydown as against principal, interest, or both, as it sees fit.

(2) This Agreement shall be of no force or effect, and none of the documents provided pursuant to this Agreement shall be considered binding on the Original Lender, until the Original Lender has received the Paydown for unconditional release.

(3) Subject to the provisions of this Agreement, the Original Lender hereby subordinates the Original Mortgage to and in favour of the New Mortgage, for as long as any indebtedness secured by the New Mortgage is outstanding and until all such indebtedness is paid in full.

(4) The New Lender acknowledges and agrees that the Original Lender is not forgiving any indebtedness owed to the Original Lender by the Borrower or by any affiliate or guarantor of the Borrower. For clarity, the Original Lender may, notwithstanding the subordination provided for herein, continue to receive payments due by the Borrower in

relation to the Original Loan Facility unless and until the New Mortgage is in default and the New Lender has notified the Original Lender of same in writing. From and after receipt of such notice, any payments received by the Original Lender from the Borrower under the Original Loan Facility shall be held in trust for the New Lender.

(5) The New Lender acknowledges that the Original Lender has provided separate loan facilities to, or for the benefit of, various corporations, trusts, partnerships, or other entities affiliated with or connected to the Borrower, which separate loan facilities are secured by, inter alia, mortgage security against title to other real properties. Nothing herein in any way affects such other loan facilities or mortgage security and nothing herein shall operate as, or be construed or deemed to constitute, a subordination or postponement of same.

(6) The New Lender further acknowledges that the Original Lender intends to take a collateral mortgage against title to the Lands and also against title to other real properties held by, or for the benefit of, various corporations, trusts, partnerships, or other entities affiliated with or connected to the Borrower, as security for the total amount of all indebtedness owing to the Original Lender from the various loans it has provided, jointly or separately, to the Borrower and to the various corporations, trusts, partnerships, and other entities affiliated with or connected to the Borrower. Such collateral mortgage shall not constitute a default of the New Mortgage and shall, in respect of the Lands, rank subordinate to the New Mortgage and Original Mortgage.

(7) Any increase in the interest rate payable under the Original Loan Facility shall be of no force or effect against the New Lender. For clarity, the Original Lender may increase such interest rate and nothing herein shall in any way impair or effect such increase as against the Borrower, but as between the parties to this Agreement the interest payable under the Original Loan Facility shall be calculated without reference to any such increase.

(8) To better give effect to the provisions herein, the Original Lender shall deliver, in registrable form, in relation to this Agreement and the security subordinated herein:

(a) for registration against title to the Lands, a formal postponement in the form prescribed for such purpose by the Land Titles Office; and

(b) for registration in the Personal Property Registry of Alberta, a postponement by way of financing change statement.

Section 3 - Reporting

(1) **Interest**: The New Lender shall not advance funds from the interest reserve applicable to

the New Loan Facility except in installments equal to six months' worth of interest payments, and shall not advance a further interest installment until the previously advanced interest installment is fully earned.

(2) **Draws**: On each advance under the New Loan Facility, the New Lender shall concurrently provide to the Original Lender its calculations relating to the advance and the quantity surveyor report prepared for such advance.

Section 4 - Assignment

(1) At any time on 30 days' notice, and whether or not the New Mortgage is in default and before or after any enforcement or foreclosure proceedings have been commenced by the New Lender, and upon the Original Lender paying to the New Lender all indebtedness secured by the New Mortgage, the Original Lender may take from the New Lender an assignment of the New Loan Facility, the New Mortgage, any other security granted to the New Lender in respect of the New Loan Facility, all related security, rights and entitlements, and any related enforcement actions or proceedings.

(2) In calculating the amount to be paid to the New Lender by the Original Lender upon the Original Lender taking an assignment as above referenced, excluded from the calculation shall be any penalties of any kind, including but not limited to any interest penalty.

Section 5 - Default and Notice

(1) In the event the Borrower defaults under the New Mortgage and such default is not cured within 15 days, the New Lender shall make reasonable commercial efforts to forthwith notify the Original Lender of the default and the particulars thereof.

(2) Subject to paragraph 3(1) above, prior to the New Lender commencing any enforcement or foreclosure proceedings against the Lands or the Borrower, the New Lender shall first notify the Original Lender of same and keep the Original Lender appraised as to the progress of any such proceedings.

(3) The New Mortgage shall have priority to the Original Mortgage to a maximum of $18,700,000.00, minus repayments of principal received by the New Lender in relation to the New Loan Facility. The Original Lender shall have priority to any additional equity in the Lands or sale proceeds resulting from any enforcement proceedings, up to the total amount of all indebtedness owed from the Borrower to the Original Lender under the Original Loan Facility.

(4) Any notice or demand required or permitted to be given to any party shall be in writing delivered by email or courier, or by personal delivery and addressed as follows:

If to the New Lender:	940 - 6 Avenue SW Suite 560 Calgary AB T2P 3T1 Email: chudson@harbourmortgage.ca
If to the Original Lender:	Suite #201, UMC Center 14020-128 Avenue Edmonton, Alberta T5L 4M8 Email: clement_lavoie@umcfinancial.ca

Receipt is deemed to occur on the date of sending in the case of email, five days from the date of sending in the case of courier or upon any earlier confirmed receipt, and upon delivery in the case of personal delivery. A party may change its address by written notice in accordance with this subsection by serving such notice on the other.

Section 6 - General

(1) This Agreement may not be amended or modified in any respect except in writing signed by the parties.

(2) This Agreement may not be assigned by any party, except in connection with a party assigning, to a third party, some or all of the indebtedness owed to the assigning party by the Borrower.

(3) All covenants contained in this Agreement survive the closing and consummation of the transactions contemplated herein and continue in full force and effect.

(4) Time is of the essence in all respects of this Agreement, and any extension of time or variation of a date shall not constitute a waiver of time being of the essence but shall instead substitute the extension or varied date for that originally provided.

(5) All sums of money referenced in or to be paid or calculated under this Agreement are in lawful Canadian currency.

(6) A waiver of any breach of this Agreement is not a waiver of another breach of the same type or of any other breach, no waiver is effective unless made in writing, and any failure or delay in exercising any right shall not be deemed a waiver of such right or of any other right.

(7) The rights, powers, and remedies of the parties, whether provided for in this Agreement or available at law or in equity, are cumulative and the exercise of any right, power or

remedy is without prejudice to and shall not exhaust the exercise of the same or any other rights, powers, or remedies or any combination thereof.

(8) A party is not responsible for its delay or failure to perform its obligations in this Agreement, or resulting damages or loss caused to another party, where such delay or failure is caused by circumstances beyond its reasonable control, including but not limited to fire, strikes, floods, lawful acts of public authorities undertaken without its wrongful act or omission, or public health emergency. In no event, however, shall lack of funds excuse delay or failure to perform or relieve liability for damage or loss.

(9) Each party shall execute and deliver such further documents and take such further actions as reasonably requested by another party in order to more effectively carry out the intent and purpose of this Agreement.

(10) Any tender of documents, including closing documents, or of sums of money may be on the parties or their respective counsel.

(11) If, in any jurisdiction, any provision of this Agreement or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

(12) This Agreement enures to the benefit of and is binding upon the parties and their respective successors and permitted assigns.

(13) Copies of this Agreement may be executed and delivered by electronically, and this Agreement may be executed in any number of counterparts, with the same effect as if all parties had signed the same original hard copy instrument.

Signature page follows

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

UMC FINANCIAL MANAGEMENT INC.

Per: _____
Name:
Title:

HMT HOLDINGS INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

UMC FINANCIAL MANAGEMENT INC.

Per: _____
Name: Lisa Meech Clement-Cawse
Title: Director Director

HMT HOLDINGS INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

UMC FINANCIAL MANAGEMENT INC.

Per: _____
Name:
Title:

HMT HOLDINGS INC.

Per: _____
Name: Bruce Shepherd
Title: ASO

Per: _____
Name: Nelson DaSilva
Title: ASO

SCHEDULE A

See attached

HARBOUR MORTGAGE CORP.

36 Toronto Street, Suite 500, Toronto, Ontario M5C 2C5
Tel: 416-361-3818 | Fax: 416-361-7116
www.harbourmortgage.ca
RECO License#10290

April 21, 2021

Careadon Corp.
c/o Mr. Ron Dezman and Mr. Don Taylor
Avison Young
Suite 2100
10111 – 104 Avenue
Edmonton, AB T5J 0J4

Dear Messrs. Dezman & Taylor:

RE: HMC Loan #21019 – Careadon Village, St. Albert, Alberta

With reference to our Commitment Letter dated February 17, 2021 (the "Commitment Letter"), we understand, acknowledge, and agree that the Commitment Letter will be amended as follows:

Delete:

Loan Amount: $15,000,000; not to exceed 30% of the completed value of the Project as determined by the Lender. (the "Loan")

Add:

Loan Amount: $17,000,000; not to exceed 35% of the completed value of the Project as determined by the Lender. (the "Loan")

Delete:

Interest Reserve: The Lender will establish an Interest Reserve Account, controlled by the Lender, of $1,800,000 held back from the initial loan advance, and invested in a non-interest-bearing account, to be drawn to service the monthly interest cost of the Loan. Once the Interest Reserve Account is depleted the Borrower shall be responsible to fund any interest payments from its own resources.

Add:

Interest Reserve: The Lender will establish an Interest Reserve Account, controlled by the Lender, of $680,000 held back from the initial loan advance, and invested in a non-interest-bearing account, to be drawn to service the monthly interest cost of the Loan. Two subsequent advances of $680,000 each will be used to replenish the Interest Reserve Account. The timing of the subsequent advances will be at the Lender's discretion. Once the Interest Reserve Account is depleted the Borrower shall be responsible to fund any interest payments from its own resources.

Delete:

Preliminary Budget/
Sources and Uses:

Sources	$	Uses	$
Harbour Mortgage	$ 15,000,000	CTC - Hard	$ 6,590,759
		CTC - General Conditions	$ 109,987
		CTC - Soft Costs	$ 107,811
		Contingency	$ 923,318
		Repay UMC	$ 5,008,205
		Est. Closing Costs	$ 10,000
		Interest	$ 1,800,000
		Broker Fee	$ 150,000
		Lender Fee	$ 300,000
Total	$15,000,000	Total	$15,000,000

The project budget is to be reviewed and certified by the Lenders Project Cost Consultant. The project budget shall include the GST (if applicable) amount. Additional costs above the project budget shall be funded by additional Borrower cash equity.

bds

Add:

Preliminary Budget/
Sources and Uses:

Sources	$	Uses	$
Harbour Mortgage	$ 17,000,000	CTC - Hard	$ 7,248,638
		Unpaid Invoice Allowance	$ 1,750,000
		CTC - General Conditions	$ 65,518
		CTC - Soft Costs	$ 489,194
		Contingency	$ 500,000
		GST Self Supply	$ 2,975,000
		Repay UMC	$ 1,436,150
		Est. Closing Costs	$ 10,000
		Interest	$ 2,040,000
		Broker Fee	$ 145,500
		Lender Fee	$ 340,000
Total	$ 17,000,000	Total	$ 17,000,000

The project budget is to be reviewed and certified by the Lenders Project Cost Consultant. The project budget shall include the GST self-supply amount. Additional costs above the project budget shall be funded by additional Borrower cash equity.

Delete:

Lender's Fee: The Borrower and Guarantors acknowledge and agree that in consideration for the Lender furnishing this Commitment Letter, to pay to Harbour Mortgage Corp the following fee:

Commitment Fee: $300,000

At the time of acceptance of this Commitment Letter, the Borrower and Guarantor agree to pay $50,000 as a non-refundable partial payment on account of the above Commitment Fee. The balance shall be payable from the Loan advance.

The commitment fee is due and payable whether or not this transaction is completed. Should the Borrower fail to close this transaction through no fault of the Lender's, this partial fee along with the outstanding balance of the Commitment Fee shall be due and payable, and shall be retained by the Lender as liquidated damages, not as penalty, and this Commitment Letter shall be, at the Lender's option, cancelled.

If all conditions precedent are satisfied and the Lender does not fund the Loan then the Commitment Fee shall be fully refundable to the Borrower within seven (7) days of written notice from the Borrower, less any reasonable due diligence expenses incurred.

The Borrower hereby irrevocably directs the Lender's solicitor to pay from closing proceeds, the outstanding balance of the commitment fee.

Add:

Lender's Fee: The Borrower and Guarantors acknowledge and agree that in consideration for the Lender furnishing this Commitment Letter, to pay to Harbour Mortgage Corp the following fee:

Commitment Fee: $340,000

At the time of acceptance of this Commitment Letter, the Borrower and Guarantor agree to pay $50,000 as a non-refundable partial payment on account of the above Commitment Fee. (the Lender acknowledges receipt of the $50,000) The balance shall be payable from the Loan advance.

bds

each acknowledge that such disclosure may also include the disclosure of the terms of the credit facility contemplated hereby to third parties. The Borrower and Guarantor each agree with the Lender that it will obtain all necessary consents from any other individuals for any personal information disclosed by the Borrower and Guarantor, to either the Lender or any of its directors, officers, employees, agents, or affiliates in the course of the financing.

All other terms and conditions of the Commitment Letter and security documentation not amended herein shall remain in full force and effect.

If you are in agreement with the above terms, please indicate such agreement by signing and returning to us a signed copy of this Amending Letter by April 22, 2021 otherwise this letter and the Commitment Letter will be null and void.

Sincerely,

Harbour Mortgage Corp.

Bruce Shepherd
Chief Risk Officer

Accepted this 21 day of April, 2021.

Borrower: Canadon Corp.

Print Name: Terry Hodgson
Title: President
I have authority to bind the corporation

Guarantor: 1978753 Alberta Ltd.

Print Name: Terry Hodgson
Title: Treasurer
I have authority to bind the corporation

The commitment fee is due and payable whether or not this transaction is completed. Should the Borrower fail to close this transaction through no fault of the Lender's, this partial fee along with the outstanding balance of the Commitment Fee shall be due and payable, and shall be retained by the Lender as liquidated damages, not as penalty, and this Commitment Letter shall be, at the Lender's option, cancelled.

If all conditions precedent are satisfied and the Lender does not fund the Loan then the Commitment Fee shall be fully refundable to the Borrower within seven (7) days of written notice from the Borrower, less any reasonable due diligence expenses incurred.

The Borrower hereby irrevocably directs the Lender's solicitor to pay from closing proceeds, the outstanding balance of the commitment fee.

Delete:

Availability: The initial advance of the Loan shall be available on or before March 19, 2021 failing which this Commitment shall be cancelled or extended at the Lender's sole option.

The Borrower, or the Borrower's solicitors, shall notify the Lender of the request for every advance in writing, at least three (3) business days prior to the date of each advance. The Borrower acknowledges and agrees that upon delivering the request for advance, interest will accrue on the full amount of the advance commencing on the date of advance set out in the request for advance, regardless of whether the funds are actually advanced to the Borrower on the scheduled date of advance, and regardless of the reason for any delay in the advance of the funds, except a delay caused solely by the Lender or its Solicitor, from the scheduled date of advance.

Add:

Availability: The initial advance of the Loan shall be available on or before May 7, 2021 failing which this Commitment shall be cancelled or extended at the Lender's sole option.

The Borrower, or the Borrower's solicitors, shall notify the Lender of the request for every advance in writing, at least three (3) business days prior to the date of each advance. The Borrower acknowledges and agrees that upon delivering the request for advance, interest will accrue on the full amount of the advance commencing on the date of advance set out in the request for advance, regardless of whether the funds are actually advanced to the Borrower on the scheduled date of advance, and regardless of the reason for any delay in the advance of the funds, except a delay caused solely by the Lender or its Solicitor, from the scheduled date of advance.

Security: Amended security as required.

Conditions Precedent To Advance: The Lender acknowledges that the minimum interest amount in 13. j. shall change from $1,800,000 to $2,040,000.

Privacy: The Borrower and Guarantor each acknowledge and agree that it has been provided an opportunity to review the privacy policy of the Lender located at www.harbourmortgage.ca (the "Privacy Policy") and consents to the Lender's past, current and future collection, use and disclosure of personal information provided by the Borrower and Guarantor in accordance with the Privacy Policy, including without limitation the disclosure of any personal information to any shareholders, affiliates or direct or indirect investors, of the Lender. The Borrower and Guarantor

bds

This is **Exhibit "W"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE

IMAGE OF DOCUMENT REGISTERED AS:

212131363

ORDER NUMBER: 47613761

ADVISORY

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

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

POSTPONEMENT

UMC FINANCIAL MANAGEMENT INC. (the "Postponor") hereby agrees to the postponement of the Postponor's rights under and pursuant to:

1. that certain Mortgage registered in the Alberta Land Titles Office on the 17th day of November, 2015 as Instrument Number 152 356 497;

2. that certain Caveat re Assignment of Rents and Leases registered in the Alberta Land Titles Office on the 17th day of November, 2015 as Instrument Number 152 356 498;

3. that certain Amending Agreement registered in the Alberta Land Titles Office on the 4th day of March, 2019 as Instrument Number 192 050 766;

4. that certain Amending Agreement registered in the Alberta Land Titles Office on the 6th day of August, 2019 as Instrument Number 192 184 984; and

5. that certain Amending Agreement registered in the Alberta Land Titles Office on the 16th day of December, 2019 as Instrument Number 192 304 464;

on the following described lands, namely:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

including without limitation all the Postponor's rights thereunder to the rights of **HMT HOLDINGS INC.,** (the "Postponee") under:

1. that certain Mortgage registered in the Alberta Land Titles Office on the ___ day of _____, 2021 as Instrument No. 212 _____; and
2. that certain Caveat re general assignment of leases and rents registered in the Alberta Land Titles Office on the ___ day of _____, 2021 as Instrument No. 212 _____

mort reg # 212 131 361
Cave reg # 212 131 362

IN WITNESS WHEREOF the Postponor has executed this Postponement this 29 day of April, 2021.

UMC FINANCIAL MANAGEMENT INC.

Per: _____

(c/s)

SCH

212131363

212131363 REGISTERED 2021 06 14
POST - POSTPONEMENT
DOC 3 OF 4 DRR#: C001BL8 ADR/JHUTCHES
LINC/S: 0037310951

3 of 4

This is **Exhibit "X"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Courier

Careadon Corp.
c/o Registered Office
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). UMC's loans in connection with the above noted matter are in default. As at May 18, 2023, indebtedness owing to UMC is $68,305,262.32 (the "**Indebtedness**"), some particulars of which are:

MORTGAGE

Principal	**$**	55,543,710.23
Accrued Interest	**$**	12,761,552.09
TOTAL	**$**	**68,305,262.32**
Per Diem	*$*	*14,680.93*

plus further interest accruing thereon and costs and expenses incurred by UMC including legal costs on a solicitor and client full indemnity basis.

As security for repayment of the Indebtedness, UMC was granted certain security including those as set out in Schedule "**A**" attached hereto (the "**Securities**").

On behalf of UMC, we hereby demand payment of the Indebtedness, together with interest which continues to accrue after March 18, 2023 plus any and all costs incurred by UMC, including, without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis. The exact amount owing should be confirmed with UMC at the relevant time of payment.

Unless payment in full is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all Securities UMC holds with respect to the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe that the prospect for repayment of the Indebtedness or any Securities are jeopardized.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

Enclosure
c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Commitment Letter dated June 23, 2015;
2. Commitment Letter dated June 16, 2017;
3. Amending Letter dated February 15, 2019;
4. Amending letter dated July 11, 2019;
5. Amending Letter dated November 29, 2019;
6. Amending Letter dated August 27, 2020;
7. Amending Letter dated January 15, 2021;
8. Mortgage Payment Deferral on Various Mortgages dated January 15, 2021;
9. Amending Letter dated December 20, 2021;
10. Amending Letter dated February 24, 2022;
11. Amending Letter dated February 24, 2022;
12. Advance Letter dated April 4, 2023;
13. Advance Letter dated April 11, 2023;
14. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

    DESCRIPTIVE PLAN 1623283
    BLOCK 1
    LOT 4A
    EXCEPTING THEREOUT ALL MINES AND MINERALS
    AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

    (the "**Caredon Lands**")

15. Mortgage Amending Agreement dated February 22, 2019.
16. Mortgage Amending Agreement dated July 19, 2019.
17. Mortgage Amending Agreement dated December 3, 2019.
18. Mortgage Amending Agreement dated April 21, 2021.
19. Mortgage Amending Agreement dated March 15, 2022.
20. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

21. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Careadon Corp., an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) All present and after-acquired personal property of the Insolvent Person;

   (b) The lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A" – LIST OF SECURITY TO BE ENFORCED

1. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

   (the "**Caredon Lands**")

2. Mortgage Amending Agreement dated February 22, 2019.

3. Mortgage Amending Agreement dated July 19, 2019.

4. Mortgage Amending Agreement dated December 3, 2019.

5. Mortgage Amending Agreement dated April 21, 2021.

6. Mortgage Amending Agreement dated March 15, 2022.

7. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

8. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Delivered Via Courier

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

1978753 Alberta Ltd.
c/o Registered Office
3200, 10180 – 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). The Borrower's loans with UMC in connection with the captioned matter are in default. You are hereby advised that UMC has demanded on the Borrower for repayment of all indebtedness (the "**Borrower's Indebtedness**") owing to UMC by the Borrower. Accordingly, UMC is making formal demands on all parties who have guaranteed the Borrower's Indebtedness. In that regard, we are enclosing a copy of UMC's formal demand letter to the Borrower, together with our Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency* Act.

As security for repayment of the Borrower's Indebtedness, UMC holds certain security granted by you as set out in Schedule "**A**" hereto (the "**Securities**"). Pursuant to the Securities, you are liable to UMC in relation to all amounts owing by the Borrower plus accrued interest thereon and any and all costs incurred by UMC, including without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis (collectively, the "**Guarantee Liability** "). The exact amount of the Guarantee Liability should be confirmed with UMC at the relevant time of payment.

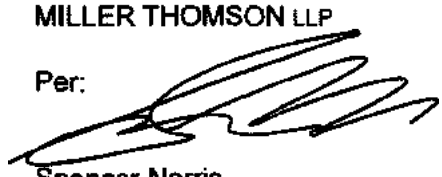
Unless payment of the Guarantee Liability, in full, is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all of the Securities UMC holds in respect of the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any of the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe the prospect for repayment of the above loans or any securities in jeopardy.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per: 

Spencer Norris

Partner
SN/

c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Guarantee dated July 19, 2019;
2. Guarantee dated February 22, 2019;
3. Guarantee dated December 3, 2019;
4. Guarantee and Indemnity Agreement dated April 6, 2021;
5. Guarantee dated March 15, 2022;
6. Irrevocable Undertaking dated July 19, 2019;
7. Irrevocable Undertaking dated December 3, 2019;
8. Irrevocable Undertaking dated March 15, 2022;

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: 1978753 Alberta Ltd., an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) all present and future debts, liabilities and obligations of Careadon Corp. owed to the Insolvent Person.

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A – LIST OF SECURITY TO BE ENFORCED

1. Guarantee dated July 19, 2019;
2. Guarantee dated February 22, 2019;
3. Guarantee dated December 3, 2019;
4. Guarantee and Indemnity Agreement dated April 6, 2021;
5. Guarantee dated March 15, 2022;

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Courier

Careadon Corp.
c/o Registered Office
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). UMC's loans in connection with the above noted matter are in default. As at May 18, 2023, indebtedness owing to UMC is $68,305,262.32 (the "**Indebtedness**"), some particulars of which are:

MORTGAGE

Principal	**$**	55,543,710.23
Accrued Interest	**$**	12,761,552.09
TOTAL	**$**	**68,305,262.32**
Per Diem	*$*	*14,680.93*

plus further interest accruing thereon and costs and expenses incurred by UMC including legal costs on a solicitor and client full indemnity basis.

As security for repayment of the Indebtedness, UMC was granted certain security including those as set out in Schedule "**A**" attached hereto (the "**Securities**").

On behalf of UMC, we hereby demand payment of the Indebtedness, together with interest which continues to accrue after March 18, 2023 plus any and all costs incurred by UMC, including, without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis. The exact amount owing should be confirmed with UMC at the relevant time of payment.

Unless payment in full is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all Securities UMC holds with respect to the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe that the prospect for repayment of the Indebtedness or any Securities are jeopardized.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

Enclosure
c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Commitment Letter dated June 23, 2015;
2. Commitment Letter dated June 16, 2017;
3. Amending Letter dated February 15, 2019;
4. Amending letter dated July 11, 2019;
5. Amending Letter dated November 29, 2019;
6. Amending Letter dated August 27, 2020;
7. Amending Letter dated January 15, 2021;
8. Mortgage Payment Deferral on Various Mortgages dated January 15, 2021;
9. Amending Letter dated December 20, 2021;
10. Amending Letter dated February 24, 2022;
11. Amending Letter dated February 24, 2022;
12. Advance Letter dated April 4, 2023;
13. Advance Letter dated April 11, 2023;
14. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

    DESCRIPTIVE PLAN 1623283
    BLOCK 1
    LOT 4A
    EXCEPTING THEREOUT ALL MINES AND MINERALS
    AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

    (the "**Caredon Lands**")

15. Mortgage Amending Agreement dated February 22, 2019.
16. Mortgage Amending Agreement dated July 19, 2019.
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18. Mortgage Amending Agreement dated April 21, 2021.
19. Mortgage Amending Agreement dated March 15, 2022.
20. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

21. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Careadon Corp., an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) All present and after-acquired personal property of the Insolvent Person;

   (b) The lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A" – LIST OF SECURITY TO BE ENFORCED

1. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

   (the "**Caredon Lands**")

2. Mortgage Amending Agreement dated February 22, 2019.

3. Mortgage Amending Agreement dated July 19, 2019.

4. Mortgage Amending Agreement dated December 3, 2019.

5. Mortgage Amending Agreement dated April 21, 2021.

6. Mortgage Amending Agreement dated March 15, 2022.

7. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

8. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Process Server

Alder Investment Group Trust 2016
c/o Terry Hodgson, trustee
166 Westridge Road
Edmonton, AB T5T 1B8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). The Borrower's loans with UMC in connection with the captioned matter are in default. You are hereby advised that UMC has demanded on the Borrower for repayment of all indebtedness (the "**Borrower's Indebtedness**") owing to UMC by the Borrower. Accordingly, UMC is making formal demands on all parties who have guaranteed the Borrower's Indebtedness. In that regard, we are enclosing a copy of UMC's formal demand letter to the Borrower, together with our Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency* Act.

As security for repayment of the Borrower's Indebtedness, UMC holds certain security granted by you as set out in Schedule "**A**" hereto (the "**Securities**"). Pursuant to the Securities, you are liable to UMC in relation to all amounts owing by the Borrower plus accrued interest thereon and any and all costs incurred by UMC, including without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis (collectively, the "**Guarantee Liability** "). The exact amount of the Guarantee Liability should be confirmed with UMC at the relevant time of payment.

Unless payment of the Guarantee Liability, in full, is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all of the Securities UMC holds in respect of the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any of the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe the prospect for repayment of the above loans or any securities in jeopardy.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Continuing and Unlimited Guarantee dated February 22, 2019;
2. Continuing and Unlimited Guarantee dated July 19, 2019;
3. Continuing and Unlimited Guarantee dated December 3, 2019;
4. Continuing and Unlimited Guarantee dated March 15, 2022;
5. Irrevocable Undertaking dated February 22, 2019;
6. Irrevocable Undertaking dated July 19, 2019;
7. Irrevocable Undertaking dated December 3, 2019;
8. Irrevocable Undertaking dated March 15, 2022;

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Alder Investment Group Trust 2016, an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) all present and future debts, liabilities and obligations of Careadon Corp. owed to the Insolvent Person.

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By ~~its authorized~~ agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A – LIST OF SECURITY TO BE ENFORCED

1. Continuing and Unlimited Guarantee dated February 22, 2019;
2. Continuing and Unlimited Guarantee dated July 19, 2019;
3. Continuing and Unlimited Guarantee dated December 3, 2019;
4. Continuing and Unlimited Guarantee dated March 15, 2022;

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 – 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Courier

Careadon Corp.
c/o Registered Office
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). UMC's loans in connection with the above noted matter are in default. As at May 18, 2023, indebtedness owing to UMC is $68,305,262.32 (the "**Indebtedness**"), some particulars of which are:

MORTGAGE

Principal	$	55,543,710.23
Accrued Interest	$	12,761,552.09
TOTAL	**$**	**68,305,262.32**
Per Diem	*$*	*14,680.93*

plus further interest accruing thereon and costs and expenses incurred by UMC including legal costs on a solicitor and client full indemnity basis.

As security for repayment of the Indebtedness, UMC was granted certain security including those as set out in Schedule "**A**" attached hereto (the "**Securities**").

On behalf of UMC, we hereby demand payment of the Indebtedness, together with interest which continues to accrue after March 18, 2023 plus any and all costs incurred by UMC, including, without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis. The exact amount owing should be confirmed with UMC at the relevant time of payment.

Unless payment in full is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all Securities UMC holds with respect to the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe that the prospect for repayment of the Indebtedness or any Securities are jeopardized.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

Enclosure
c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Commitment Letter dated June 23, 2015;
2. Commitment Letter dated June 16, 2017;
3. Amending Letter dated February 15, 2019;
4. Amending letter dated July 11, 2019;
5. Amending Letter dated November 29, 2019;
6. Amending Letter dated August 27, 2020;
7. Amending Letter dated January 15, 2021;
8. Mortgage Payment Deferral on Various Mortgages dated January 15, 2021;
9. Amending Letter dated December 20, 2021;
10. Amending Letter dated February 24, 2022;
11. Amending Letter dated February 24, 2022;
12. Advance Letter dated April 4, 2023;
13. Advance Letter dated April 11, 2023;
14. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

    DESCRIPTIVE PLAN 1623283
    BLOCK 1
    LOT 4A
    EXCEPTING THEREOUT ALL MINES AND MINERALS
    AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

    (the "**Caredon Lands**")

15. Mortgage Amending Agreement dated February 22, 2019.
16. Mortgage Amending Agreement dated July 19, 2019.
17. Mortgage Amending Agreement dated December 3, 2019.
18. Mortgage Amending Agreement dated April 21, 2021.
19. Mortgage Amending Agreement dated March 15, 2022.
20. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

21. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Careadon Corp., an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) All present and after-acquired personal property of the Insolvent Person;

   (b) The lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A" – LIST OF SECURITY TO BE ENFORCED

1. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

   (the "**Caredon Lands**")

2. Mortgage Amending Agreement dated February 22, 2019.

3. Mortgage Amending Agreement dated July 19, 2019.

4. Mortgage Amending Agreement dated December 3, 2019.

5. Mortgage Amending Agreement dated April 21, 2021.

6. Mortgage Amending Agreement dated March 15, 2022.

7. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

8. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

This is **Exhibit "Y"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

Trip ID: 202305231316.9212

FROM:
Miltom Management
2600 10155 102 ST NW
EDMONTON AB
CA
T5J4G8

Shipper: 280
Phone: 7804299466

TO:
Careadon Corp.
3200 10180 101 ST NW
EDMONTON AB
CA
T5J3W8

Receiver:
Phone:

Additional Info: **May be left by the door if

DETAILS:

Package Type:	ENVELOPE	**Pieces:**	1	**Round Trip:**	N	**Status:**	CLOSED
Service level:	Regular	**Weight:**	1	**Mail Slot:**	N	**Vehicle:**	CAR

EXPENSE MANAGEMENT:
Ref #1: 272633.3.SDN.sh
Ref #2:
Cost Centre:

TIME:
Order Placed: May 23, 2023 13:16
Ready Time: May 23, 2023 13:16
Picked Up: May 23, 2023 13:39
Delivered: May 23, 2023 13:44

Signed by: Nicole, May 23, 2023 13:44

Trip ID: 202305231316.9212

FROM:
Miltom Management
2600 10155 102 ST NW
EDMONTON AB
CA
T5J4G8

TO:
1978753 Alberta Ltd.
3200 10180 101 ST NW
EDMONTON AB
CA
T5J3W8

Shipper: 280
Phone: 7804299466

Receiver:
Phone:

Additional Info: **May be left by the door if

DETAILS:

Package Type:	ENVELOPE	**Pieces:**	1	**Round Trip:**	N	**Status:**	DELIVERED
Service level:	Regular	**Weight:**	1	**Mail Slot:**	N	**Vehicle:**	CAR

EXPENSE MANAGEMENT:
Ref #1: 272633.3.SDN.sh
Ref #2:
Cost Centre:

TIME:
Order Placed: May 23, 2023 13:16
Ready Time: May 23, 2023 13:16
Picked Up: May 23, 2023 13:39
Delivered: May 23, 2023 13:44

Signed by: Nicole, May 23, 2023 13:44

This is **Exhibit "Z"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

COVERT INVESTIGATIONS INC.
Private Investigators
Suite 1599
5328 Calgary Trail South
Edmonton, Alberta
T6H 4J8

Office: (780) 448-9758
Fax: (780) 448-9788
e-mail: mark@covertinvestigations.ca
web: www.covertinvestigations.ca

STATUTORY DECLARATION

I, MARK A. GRUSCHYNSKI, of the City of Edmonton, in the Province of Alberta, Private Investigator, DO SOLEMNLY DECLARE AND SAY THAT:

1. I did on Tuesday the 23rd day of May, 2023, at 1809 hrs., serve **ALDER INVESTMENT GROUP TRUST 2016** with true copy of the original DEMAND LETTER, which is hereunto annexed and marked as Exhibit "A" to this my STATUTORY DECLARATION, by delivering the said copy to and leaving the same with TERRY HODGSON, Trustee for **ALDER INVESTMENT GROUP TRUST 2016** at 166 Westridge Road, Edmonton, Alberta.

2. I am an adult person and not a party to the litigation in this action.

3. I make this solemn declaration conscientiously believing it to be true and knowing that is of the same force and effect as if made under oath.

DECLARED before me at the City of Edmonton, in the Province of Alberta, this 24th day of May, 2023

MARK A. GRUSCHYNSKI
(Declarant)

SAS
A COMMISSIONER FOR OATH IN AND FOR THE PROVINCE OF ALBERTA

SAM A. SAYED
A Commissioner for Oaths
in and for Alberta
My Commission Expires July 20, 2025

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1151
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Process Server

Alder Investment Group Trust 2016
c/o Terry Hodgson, trustee
166 Westridge Road
Edmonton, AB T5T 1B8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Carendon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). The Borrower's loans with UMC in connection with the captioned matter are in default. You are hereby advised that UMC has demanded on the Borrower for repayment of all indebtedness (the "**Borrower's Indebtedness**") owing to UMC by the Borrower. Accordingly, UMC is making formal demands on all parties who have guaranteed the Borrower's Indebtedness. In that regard, we are enclosing a copy of UMC's formal demand letter to the Borrower, together with our Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency Act*.

As security for repayment of the Borrower's Indebtedness, UMC holds certain security granted by you as set out in Schedule "A" hereto (the "**Securities**"). Pursuant to the Securities, you are liable to UMC in relation to all amounts owing by the Borrower plus accrued interest thereon and any and all costs incurred by UMC, including without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis (collectively, the "**Guarantee Liability**"). The exact amount of the Guarantee Liability should be confirmed with UMC at the relevant time of payment.

Unless payment of the Guarantee Liability, in full, is received by UMC **within 10 days from the date of this letter**, UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all of the Securities UMC holds in respect of the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any of the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe the prospect for repayment of the above loans or any securities in jeopardy.

This is Exhibit "A" referred to in the Affidavit of MARK A. GRUSCHYNSKI, P.I. Sworn before me on MAY 24 2023

SAM A. SAYED
A Commissioner for Oaths
In and for Alberta
My Commission Expires July 20, 20[illegible]

A Commissioner for Oaths in and for the Province of Alberta

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Continuing and Unlimited Guarantee dated February 22, 2019;
2. Continuing and Unlimited Guarantee dated July 19, 2019;
3. Continuing and Unlimited Guarantee dated December 3, 2019;
4. Continuing and Unlimited Guarantee dated March 15, 2022;
5. Irrevocable Undertaking dated February 22, 2019;
6. Irrevocable Undertaking dated July 19, 2019;
7. Irrevocable Undertaking dated December 3, 2019;
8. Irrevocable Undertaking dated March 15, 2022;

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Alder Investment Group Trust 2016, an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) all present and future debts, liabilities and obligations of Careadon Corp. owed to the Insolvent Person.

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A – LIST OF SECURITY TO BE ENFORCED

1. Continuing and Unlimited Guarantee dated February 22, 2019;
2. Continuing and Unlimited Guarantee dated July 19, 2019;
3. Continuing and Unlimited Guarantee dated December 3, 2019;
4. Continuing and Unlimited Guarantee dated March 15, 2022;

MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
COMMERCE PLACE
10155 - 102 STREET, SUITE 2700
EDMONTON, AB T5J 4G8
CANADA

T 780.429.1751
F 780.424.5866

MILLERTHOMSON.COM

May 23, 2023

Spencer Norris
Direct Line: 780.429.9746
Direct Fax: 780.424.5866
snorris@millerthomson.com

File: 0272633.0003

Delivered Via Courier

Careadon Corp.
c/o Registered Office
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

Re: UMC Financial Management Inc.
Loans to Careadon Corp. (the "Borrower")
FORMAL DEMAND FOR PAYMENT

Our office acts as legal counsel for UMC Financial Management Inc. ("**UMC**"). UMC's loans in connection with the above noted matter are in default. As at May 18, 2023, indebtedness owing to UMC is $68,305,262.32 (the "**Indebtedness**"), some particulars of which are:

MORTGAGE

Principal	**$**	55,543,710.23
Accrued Interest	**$**	12,761,552.09
TOTAL	**$**	**68,305,262.32**
Per Diem	*$*	*14,680.93*

plus further interest accruing thereon and costs and expenses incurred by UMC including legal costs on a solicitor and client full indemnity basis.

As security for repayment of the Indebtedness, UMC was granted certain security including those as set out in Schedule "A" attached hereto (the "**Securities**").

On behalf of UMC, we hereby demand payment of the Indebtedness, together with interest which continues to accrue after March 18, 2023 plus any and all costs incurred by UMC, including, without limitation, all professional fees and legal costs on a solicitor and own client full indemnity basis. The exact amount owing should be confirmed with UMC at the relevant time of payment.

Unless payment in full is received by UMC **within 10 days from the date of this letter,** UMC will take whatever action it deems necessary to recover the amounts owing. Such action may include realizing on any or all Securities UMC holds with respect to the amounts owing.

UMC reserves the right to accelerate the above demand period and to realize on any the Securities it holds or otherwise take action prior to the date for payment in full specified above if UMC becomes aware of facts or circumstances which cause it to believe that the prospect for repayment of the Indebtedness or any Securities are jeopardized.

Attached is a formal Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act*.

Sincerely,

MILLER THOMSON LLP

Per:

Spencer Norris

Partner
SN/

Enclosure
c. Miller Thomson LLP, Attn: T. Wagner

SCHEDULE "A" – SECURITIES

1. Commitment Letter dated June 23, 2015;
2. Commitment Letter dated June 16, 2017;
3. Amending Letter dated February 15, 2019;
4. Amending letter dated July 11, 2019;
5. Amending Letter dated November 29, 2019;
6. Amending Letter dated August 27, 2020;
7. Amending Letter dated January 15, 2021;
8. Mortgage Payment Deferral on Various Mortgages dated January 15, 2021;
9. Amending Letter dated December 20, 2021;
10. Amending Letter dated February 24, 2022;
11. Amending Letter dated February 24, 2022;
12. Advance Letter dated April 4, 2023;
13. Advance Letter dated April 11, 2023;
14. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

    DESCRIPTIVE PLAN 1623283
    BLOCK 1
    LOT 4A
    EXCEPTING THEREOUT ALL MINES AND MINERALS
    AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

    (the "**Caredon Lands**")

15. Mortgage Amending Agreement dated February 22, 2019.
16. Mortgage Amending Agreement dated July 19, 2019.
17. Mortgage Amending Agreement dated December 3, 2019.
18. Mortgage Amending Agreement dated April 21, 2021.
19. Mortgage Amending Agreement dated March 15, 2022.
20. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

21. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

FORM 86

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Rule 124)

To: Careadon Corp., an insolvent person (the "**Insolvent Person**")

TAKE NOTICE THAT:

1. UMC Financial Management Inc. ("**UMC**"), a secured creditor, intends to enforce its security on the property of the Insolvent Person, specifically:

   (a) All present and after-acquired personal property of the Insolvent Person;

   (b) The lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

2. The security that is to be enforced is in the form of the security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security as at May 18, 2023 totals the principal sum of $68,305,262.32, plus further interest and legal costs on a solicitor and own client full indemnity basis .

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the Insolvent Person consents to an earlier enforcement.

Dated at Edmonton, Alberta this 23rd day of May, 2023.

UMC FINANCIAL MANAGEMENT INC.

Per:

By its authorized agent and legal counsel,
Spencer Norris
Barrister and Solicitor

SCHEDULE "A" – LIST OF SECURITY TO BE ENFORCED

1. Mortgage dated August 13, 2015 executed by Careadon Corp. in the amount of $30,000,000 with respect to the lands legally described as:

   DESCRIPTIVE PLAN 1623283
   BLOCK 1
   LOT 4A
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

   (the "**Caredon Lands**")

2. Mortgage Amending Agreement dated February 22, 2019.

3. Mortgage Amending Agreement dated July 19, 2019.

4. Mortgage Amending Agreement dated December 3, 2019.

5. Mortgage Amending Agreement dated April 21, 2021.

6. Mortgage Amending Agreement dated March 15, 2022.

7. General Assignment of Leases and Rents dated August 13, 2015 executed by Careadon Corp. with respect to the Caredon Lands.

8. General Security Agreement dated August 13, 2015 executed by Careadon Corp. in favour of UMC Financial Management Inc. granting a security interest in all present and after acquired personal property.

This is **Exhibit "AA"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

Careadon Village Budget

		Date: % Complete	Claim Total	Cost to Complete
Drywall	264,066.00		-	264,066.00
Flooring	275,614.00		-	275,614.00
Cabinets	520,834.00		-	520,834.00
Painting	146,485.00		-	146,485.00
Finishing	452,072.00		-	452,072.00
Electrical	168,000.00		-	168,000.00
Elevator	40,480.00		-	40,480.00
Mechanical	373,307.00		-	373,307.00
Parkade	126,019.00		-	126,019.00
Landscaping	66,704.00		-	66,704.00
Appliances	595,579.00		-	595,579.00
Kitchen/Dining	471,455.00		-	471,455.00
Misc	60,537.00		-	60,537.00
Contingency 3%	106,835.00		-	106,835.00
	3,667,987.00		-	3,667,987.00
Soft Costs				
Administration	107,311.00		-	107,311.00
Office Expenses	14,000.00		-	14,000.00
Inspection & Reports	43,874.00		-	43,874.00
Garbage Disposal	9,000.00		-	9,000.00
Utilities	213,039.00		-	213,039.00
Property Taxes	410,000.00		-	410,000.00
Advertising	75,000.00		-	75,000.00
Self-Assessment GST	2,801,224.00		-	2,801,224.00
	3,673,448.00		0	3,673,448.00
Total	7,341,435.00			7,341,435.00
Interest Reserve				
Legal Fees				
Fees				

Pondgot Reid
June 14, 2023
~ 4:25pm.

This is **Exhibit "BB"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta
SPENCER NORRIS
BARRISTER & SOLICITOR

HISTORICAL LAND TITLE CERTIFICATE

CURRENT TITLE WITH HISTORICAL DATA

S

LINC	SHORT LEGAL	TITLE NUMBER
0037 310 951	1623283;1;4A	162 250 971

LEGAL DESCRIPTION

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

ATS REFERENCE: 4;25;54;30;RL
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF ST. ALBERT

REFERENCE NUMBER: 152 356 496 +1
152 356 496

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
162 250 971	10/09/2016	DESCRIPTIVE PLAN		

OWNERS

CAREADON CORP.
OF 166 WESTRIDGE RD
EDMONTON
ALBERTA T5T 1B8

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
122 205 468	27/06/2012	CAVEAT RE : EASEMENT " AFFECTS PART OF THIS TITLE "
152 356 497	17/11/2015	MORTGAGE MORTGAGEE - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		EDMONTON ALBERTA T5L4M8 ORIGINAL PRINCIPAL AMOUNT: $30,000,000
152 356 498	17/11/2015	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW EDMONTON ALBERTA T5L4M8 AGENT - BRUCE G NEILL
172 036 138	02/02/2017	BUILDER'S LIEN LIENOR - KELLER FOUNDATIONS LTD. ATTN: LUKE ROSS C/O MILLER THOMSON LLP 2700, 10155-102 ST EDMONTON ALBERTA T5J4G8 AGENT - THOMAS HUMPHRIES AMOUNT: $310,493
172 059 996	03/03/2017	DISCHARGE OF BUILDER'S LIEN 172036138
182 059 902	12/03/2018	BUILDER'S LIEN LIENOR - COLTS CONSTRUCTION ALBERTA LTD. 10303-174 AVENUE EDMONTON ALBERTA T5X5W5 AGENT - AL H JBOUR AMOUNT: $210,000
182 128 945	04/06/2018	BUILDER'S LIEN LIENOR - COOPER EQUIPMENT RENTALS LIMITED. 8430-24 STREET EDMONTON ALBERTA T6P1X8 AGENT - LIEN-PRO INC. AMOUNT: $12,542
182 149 532	21/06/2018	DISCHARGE OF BUILDER'S LIEN 182128945
182 161 060	29/06/2018	DISCHARGE OF BUILDER'S LIEN 182059902
192 050 766	04/03/2019	AMENDING AGREEMENT AMOUNT: $37,835,000 AFFECTS INSTRUMENT: 152356497
192 066 688	20/03/2019	CAVEAT RE : ACCESS

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		CAVEATOR - CAREADON CORP. 3200, 10180 101 STREET NW EDMONTON ALBERTA T5J3W8
192 130 636	12/06/2019	BUILDER'S LIEN LIENOR - NEWGENBUILDERS LTD. 6012 1A AVE EDMONTON ALBERTA T6X0E7 AGENT - MAXIME BOURGEOIS AMOUNT: $7,542
192 152 682	03/07/2019	DISCHARGE OF BUILDER'S LIEN 192130636
192 184 984	06/08/2019	AMENDING AGREEMENT AMOUNT: $45,475,000 AFFECTS INSTRUMENT: 152356497
192 248 080	11/10/2019	BUILDER'S LIEN LIENOR - SONEPAR CANADA INC. 2300, 10180-101 ST EDMONTON ALBERTA T5K1B2 AMOUNT: $91,260
192 268 546	05/11/2019	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 192248080
192 280 870	20/11/2019	DISCHARGE OF BUILDER'S LIEN 192248080
192 283 577	21/11/2019	DISCHARGE OF CERTIFICATE OF LIS PENDENS 192268546
192 295 160	04/12/2019	BUILDER'S LIEN LIENOR - TITAN GMS GP INC.. O/A SHOEMAKER DRYWALL SUPPLIES. C/O WILSON LAYCRAFT ATTN: GLEN M. HICKERSON 1601, 333 - 11TH AVENUE SW CALGARY ALBERTA T1R1L9 AMOUNT: $129,578
192 301 669	11/12/2019	DISCHARGE OF BUILDER'S LIEN 192295160
192 304 464	16/12/2019	AMENDING AGREEMENT AMOUNT: $51,548,170 AFFECTS INSTRUMENT: 152356497
202 048 632	02/03/2020	BUILDER'S LIEN

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		LIENOR - HARRIS STEEL SERVICES LIMITED. C/O MCLENNAN ROSS LLP ATTENTION: JAMES P. FLANAGAN 1900, 600 - 3RD AVENEUE SW CALGARY ALBERTA T2P0G5 AGENT - JAMES P. FLANAGAN. AMOUNT: $132,967
202 075 861	06/04/2020	DISCHARGE OF BUILDER'S LIEN 202048632
202 096 831	04/05/2020	BUILDER'S LIEN LIENOR - NORDIC MECHANICAL SERVICES LTD. C/O KIRWIN LLP 100, 12420-104 AVE NW EDMONTON ALBERTA T5N3Z9 AMOUNT: $68,755
202 116 828	02/06/2020	BUILDER'S LIEN LIENOR - SUNBELT RENTALS OF CANADA INC. C/O FIELD LAW ATTN:ANTHONY BURDEN/D KIM BEACHUM 400,444-7 AVENUE SW CALGARY ALBERTA T2P0X8 AGENT - ANTHONY BURDEN AMOUNT: $46,254
202 171 355	15/08/2020	DISCHARGE OF BUILDER'S LIEN 202096831
202 192 191	04/09/2020	BUILDER'S LIEN LIENOR - THYSSENKRUPP ELEVATOR CANADA LIMITED. 2500 STANTEC TOWER 10220 103 AVENUE NW EDMONTON ALBERTA T5J0K4 AMOUNT: $284,713
202 217 543	07/10/2020	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 202116828
202 224 377	15/10/2020	BUILDER'S LIEN LIENOR - LTM INDUSTRIES LTD. 35 IRONWOOD FAIRWAY CLOSE STONY PLAIN ALBERTA T7Z2K8 AGENT - TIMOTHY LEFORT AMOUNT: $71,870

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
202 231 269	22/10/2020	BUILDER'S LIEN LIENOR - CRANE SUPPLY. A DIVISION OF CRANE CANADA CO. C/O KUEFLER STEVENSON BENNETT LLP, ATTN: QUINN M KUEFLER STE 240, 611-10 AVE SW CALGARY ALBERTA T2R0B2 AGENT - QUINN M KUEFLER AMOUNT: $33,877
202 247 345	04/11/2020	BUILDER'S LIEN LIENOR - DURABUILT WINDOWS & DOORS INC. C/O GURINDER D. S. BHANGOO 16404-100 AVE EDMONTON ALBERTA T5P4Y2 AGENT - GURDINDER D S BHANGOO AMOUNT: $94,742
202 250 742	09/11/2020	BUILDER'S LIEN LIENOR - GO ASPHALT LTD. 11810 KINGSWAY NW EDMONTON ALBERTA T5G0X5 AGENT - JORDAN VERDIER AMOUNT: $46,082
202 268 864	03/12/2020	BUILDER'S LIEN LIENOR - PRAIRIE GOLD SCAFFOLDING LTD. C/O MOSAICO LAW 8520-104 STREET NW EDMONTON ALBERTA T6E4G4 AMOUNT: $290,306 (DATA UPDATED BY: CHANGE OF ADDRESS 202273101)
202 273 101	09/12/2020	CHANGE OF ADDRESS FOR SERVICE RE: PRAIRIE GOLD SCAFFOLDING LTD. C/O MOSAICO LAW 8520-104 STREET NW EDMONTON ALBERTA T6E4G4 AFFECTS INSTRUMENT: 202268864
212 043 669	16/02/2021	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 202192191
212 048 645	22/02/2021	CERTIFICATE OF LIS PENDENS

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		AFFECTS INSTRUMENT: 202247345
212 063 524	16/03/2021	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 202224377
212 102 507	05/05/2021	DISCHARGE OF BUILDER'S LIEN 202231269
212 131 361	14/06/2021	MORTGAGE MORTGAGEE - HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO ONTARIO M5C2C5 ORIGINAL PRINCIPAL AMOUNT: $18,700,000
212 131 362	14/06/2021	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HMT HOLDINGS INC. SUITE 500, 36 TORONTO STREET TORONTO ONTARIO M5C2C5 AGENT - ERIC P VAILLANT
212 131 363	14/06/2021	POSTPONEMENT OF MORT 152356497 CAVE 152356498 AMEA 192050766 AMEA 192184984 AMEA 192304464 TO MORT 212131361 CAVE 212131362
212 131 364	14/06/2021	AMENDING AGREEMENT AFFECTS INSTRUMENT: 152356497
212 134 446	17/06/2021	DISCHARGE OF BUILDER'S LIEN 202192191
212 134 447	17/06/2021	DISCHARGE OF CERTIFICATE OF LIS PENDENS 212043669
212 137 542	21/06/2021	DISCHARGE OF BUILDER'S LIEN 202116828 AND CERTIFICATE OF LIS PENDENS 202217543
212 147 119	06/07/2021	DISCHARGE OF BUILDER'S LIEN 202224377
212 147 120	06/07/2021	DISCHARGE OF CERTIFICATE OF LIS PENDENS 212063524
212 148 906	08/07/2021	DISCHARGE OF BUILDER'S LIEN 202247345
212 148 907	08/07/2021	DISCHARGE OF CERTIFICATE OF LIS PENDENS 212048645
212 149 644	08/07/2021	DISCHARGE OF BUILDER'S LIEN 202250742
212 149 746	09/07/2021	DISCHARGE OF BUILDER'S LIEN 202268864 AND CHANGE OF ADDRESS FOR SERVICE 202273101

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
222 110 147	16/05/2022	BUILDER'S LIEN LIENOR - GUSTO CONTRACTING LTD. C/O GLENN G MACALLISTER 128,5211-50TH ST STONY PLAIN ALBERTA T7Z0C1 AGENT - GLENN G MACALLISTER AMOUNT: $6,468 RECEIVED: JANUARY 21, 2022
222 151 931	07/07/2022	AMENDING AGREEMENT AMOUNT: $65,000,000 AFFECTS INSTRUMENT: 152356497
222 171 529	05/08/2022	DISCHARGE OF BUILDER'S LIEN 222110147
232 143 913	06/05/2023	CONSTRUCTION LIEN LIENOR - NORDIC MECHANICAL SERVICES LTD. C/O KIRWIN LLP 100, 12420-104 AVE NW EDMONTON ALBERTA T5N3Z9 AGENT - ANASTASIYA BILOVODSKA AMOUNT: $28,255 DATE RECEIVED: MARCH 7, 2023

TOTAL INSTRUMENTS: 055

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 24 DAY OF JUNE, 2023 AT 01:29 P.M.

ORDER NUMBER: 47614090

CUSTOMER FILE NUMBER: 272633.3SW

REGISTRAR OF LAND TITLES

END OF CERTIFICATE

(CONTINUED)

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

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

This is **Exhibit "CC"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

SWAINSON
MIKI
PESKETT LLP

Suite 2800, Bell Tower
10104 – 103 Avenue NW
Edmonton, Alberta T5J 0H8

P 780-809-7800
F 780-809-7788

Refer To: Daniel R. Peskett
Direct Line: 780.809.7802
Email: dpeskett@smplp.ca
Your File No.:
Our File No.: 90149-0002/DRP

June 2, 2023

Via Process Server

Careadon Corp.
c/o Registered Office
3200, 10180 – 101 Street
Edmonton, AB T5J 3W8

Dear Sir/Madam:

RE: Mortgage dated April 29, 2021 (the "Mortgage") and granted by Careadon Corp., in favour of HMT Holdings Inc., and secured against lands legally described as Descriptive Plan 1623283; Block 1; Lot 4A (the "Lands")
Demand and Notice of Intention to Enforce Security

Please be advised that our office represents HMT Holdings Inc. ("HMT") respecting the above-noted matter. HMT loaned monies secured by the Mortgage. The Mortgage is registered against title to the Lands, as Registration No. 212 131 361.

The Mortgage has matured as of June 1, 2023 and as such the entire loan balance secured by the Mortgage is immediately due and owing to HMT, from Careadon Corp., along with ongoing interest and costs (including legal costs on a solicitor and his own client full indemnity basis). Further, the subject loan and Mortgage has been in default due to reasons which include the pending registration of a builders lien.

Enclosed please find for service upon you a Notice of Intention to Enforce Security that is being issued by HMT. Should Careadon Corp. not repay all amounts owing to HMT within ten (10) days of the date of this letter, HMT will have the ability to enforce its rights against the security referenced in the Notice of Intention to Enforce Security. We can advise that Careadon Corp. owes under the subject loan and Mortgage the amount of $13,138,718.91, as of June 1, 2023, plus ongoing interest, legal costs on a solicitor and his own client full indemnity basis and such other ongoing charges, as the case may be, owed under the subject loan and Mortgage.

We hereby demand that Careadon Corp. repay all monies owed to HMT within ten (10) days of the date of this correspondence. We can advise that you can contact our offices and we will provide you with an updated payout statement for the date you intend to repay the amounts that are due and owing.

Should the subject loan monies not be repaid within the above noted timeframe, we advise that HMT can and will enforce its recovery rights under its loan and security including in relation to the Mortgage. Should it become necessary for our offices to take these steps, we advise that we will seek to recover all of HMT's legal costs on a solicitor and his own client full indemnity basis.

We confirm these offices are being served as the registered office for Careadon Corp.

Kindly govern yourself accordingly.

SWAINSON MIKI PESKETT LLP
Per:

DANIEL R. PESKETT

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Careadon Corp. (the "Debtor"), an insolvent corporation

TAKE NOTICE THAT:

1. HMT Holdings Inc., is a secured creditor (the **"Secured Creditor"**), that intends to enforce its security on the property of the Debtor as described below:

   a. Descriptive Plan 1623283
   Block 1
   Lot 4A
   Excepting thereout all mines and minerals

   (hereinafter referred to as the **"Lands"**).

   b. All present and after-acquired personal property of the Debtor.

2. The security that is to be enforced is as follows:

   a. Mortgage dated April 29, 2021, and registered against title to the Lands at the Land Titles Office for the North Alberta Land Registration District, on June 14, 2021, as Registration No. 212 131 361;

   b. The Assignment of Rent and Leases dated April 29, 2021, against title to the Lands at the Land Titles Office for the North Alberta Land Registration District, on June 14, 2021, as Registration No. 212 131 362;

   c. The Security Agreement – Collateral to Land Mortgage dated April 29, 2021, and registered in the Personal Property Registry on April 22, 2021, as Registration No. 21042207546;

   d. Such further and other security as granted as part of the subject loan to the Debtor.

3. The total amount of the indebtedness secured by the security is $13,138,718.91 as of June 1, 2023 plus applicable interest, legal costs on a solicitor and his own client full indemnity basis, and such other charges as become owed under the loan and security.

4. The Secured Creditor will not have the right to enforce its security until after the expiry of the TEN (10) day period following the sending of this Notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Edmonton, in the Province of Alberta, this 2nd day of June, 2023.

HMT HOLDINGS INC.
by their solicitor and agent,

SWAINSON MIKI PESKETT LLP

PER:
DANIEL R. PESKETT

SWAINSON
MIKI
PESKETT LLP

Suite 2800, Bell Tower
10104 – 103 Avenue NW
Edmonton, Alberta T5J 0H8

P 780-809-7800
F 780-809-7788

Refer To: Daniel R. Peskett
Direct Line: 780.809.7802
Email: dpeskett@smplip.ca
Your File No.:
Our File No.: 91049-0002/DRP

June 2, 2023

Via Courier and
Via Email to registered office at CORP@RMRF.COM

1978753 Alberta Ltd.
c/o Registered Office
3200, 10180 – 101 Street
Edmonton, AB T5J 3W8

Re: **Mortgage dated April 29, 2021 (the "Mortgage") and granted by the Borrower, Careadon Corp., in favour of the Lender, HMT Holdings Inc.**
The Guarantee of 1978753 Alberta Ltd., dated April 29, 2021 (the "Guarantee")

Please be advised that our office represents HMT Holdings Inc. ("**HMT**") respecting the above-noted matter. HMT loaned monies secured by the Mortgage. The Mortgage is registered against title to the Lands, as Registration No. 212 131 361.

The Mortgage has matured as of June 1, 2023, and as such the entire loan balance secured by the Mortgage is immediately due and owing to HMT, from Careadon Corp., along with ongoing interest and costs (including legal costs on a solicitor and his own client full indemnity basis). Further, the subject loan and Mortgage has been in default due to reasons which include the pending registration of a builders lien.

1978753 Alberta Ltd. provided HMT with a Guarantee, dated April 29, 2021 (the "**Guarantee**") in respect of all amounts due and payable under subject loan secured by the Mortgage. We advise that Careadon Corp. owes HMT, under the subject loan and Mortgage, the amount of $13,138,718.91 as of June 1, 2023, plus ongoing interest, legal costs on a solicitor and his own client full indemnity basis and such other ongoing charges owed under the subject loan and Mortgage.

We hereby demand that 1978753 Alberta Ltd. pay to HMT all monies owed to HMT within 10 days of the date of this letter. We can advise that you can contact our offices and we will provide you with an updated payout statement for the date you intend to pay the amounts that are due and owing.

Should the subject loan monies not be repaid within the above noted timeframe, we advise that HMT can and will enforce its recovery rights under its loan and security and as against 1978753 Alberta Ltd. pursuant to the Guarantee. Should it become necessary for our offices to take these steps, we advise that we will seek recovery all of HMT's legal costs on a solicitor and his own client full indemnity basis.

We confirm these offices are being served as the registered office for 1978753 Alberta Ltd.

We further attach copies the Demand and Notice to Enforce Security which has been sent to the debtor, Careadon Corp.

Kindly govern yourself accordingly.

SWAINSON MIKI PESKETT LLP
Per:

DANIEL R. PESKETT
Encl.

This is **Exhibit "DD"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR

COURT FILE NUMBER	
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	HMT HOLDINGS INC.
DEFENDANTS	CAREADON CORP. and 1978753 ALBERTA LTD.
DOCUMENT	**STATEMENT OF CLAIM**

Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED DIGITALLY
2303 11194
Jun 21, 2023
3:51 PM
CLERK OF THE COURT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

SWAINSON MIKI PESKETT LLP
Daniel R. Peskett
Suite 2800, Bell Tower
10104 – 103 Avenue NW
Edmonton, Alberta T5J 0H8
Telephone: (780) 809-7800
Facsimile: (780) 809-7788
File No.: 90149-0002

NOTICE TO DEFENDANTS:

You are being sued. You are the Defendants.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff, HMT HOLINGS INC. (**"HMT"**), is a federal corporation registered pursuant to the laws of Canada and carrier on business in the Province of Alberta and elsewhere.

2. The Defendant, CAREADON CORP. (**"Careadon"**), is a body corporate registered pursuant to the laws of, and carries on business in, the Province of Alberta.

3. The Defendant, 1978753 ALBERTA LTD., (**"197"**), is a body corporate registered in the Province of Alberta.

4. On or about February 17, 2021, Careadon accepted the terms of a commitment letter issued by HMT (the "**Commitment Letter**") for construction financing of a 164 unit multi-family rental project (the "Project"). The Commitment Letter has been amended and extended by agreement and HMT has loaned Careadon monies over time for the Project (the "Loan") such that as of June 1, 2023, the approximate amount of **$13,138,718.91** was owed by the Defendants to HMT plus legal costs.

5. As security for the Loan, by a Mortgage dated on or about April 29, 2021, and registered in the Land Titles Office of Alberta, as Instrument No. 212 131 361 on or about June 14, 2021 (**"Mortgage"**), Careadon mortgaged to HMT the following lands and premises:

DESCRIPTIVE PLAN 1623283
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(hereinafter referred to as the "**Lands**")

for securing the payment of the principal sum loaned by HMT to Careadon, pursuant to the Loan, plus interest, costs and all other amounts owing under the Mortgage. HMT is the first secured lender registered against the Lands.

6. Under the Mortgage, Careadon covenanted to pay to HMT the principal sum and interest as follows (definitions as set out in the Mortgage):

   a) Interest on the amounts advanced from time to time at a variable rate per annum equal at all times to the greater of:

   b) i) 8.00%; and

   c) ii) 5.55% above the Prime Interest Rate in effect from time to time;

   both rates calculated monthly and not in advance, on the principal monies remaining unpaid from time to time on the basis of the actual number of days elapsed in a year of 365 or 366 days as the case may be, and computed from and including the respective dates of such advance, not in advance, as well after as before maturity, default and judgment ("**Mortgage Rate**") and computed from and including the respective dates of such advances, which interest shall become due and paid in monthly installments on the first day of the month next following the first advance ("**Interest Adjustment Date**") and on the first day of each and every month thereafter, and in addition, at the option of HMT, may be deducted from each subsequent advance, and the balance, if any of the aforesaid interest on advances shall become due and be paid at the same time as payment of principal;

   d) The said Prime Interest Rate means the annual rate of interest announced from time to time by the Royal Bank of Canada, Main Branch, Toronto, Ontario;

   e) The principal sum of the advances shall become due and paid in full EIGHTEEN (18) months from the Interest Adjustment Date.

7. Careadon is the registered owner of the Lands and the construction of the Lands is not complete.

8. Pursuant to the Mortgage, Careadon, *inter alia*, covenanted to pay all taxes, liens, charges, encumbrances or claims with respect to the Lands, and to insure the full value of the Lands against fire and other perils. Careadon further covenanted to pay all of the legal costs incurred by HMT, pursuant to a default by Careadon or otherwise, on a solicitor and its own client full indemnity basis.

9. In the event of default under the Mortgage being made in any of the covenants, agreements, provisions or stipulations, expressed or implied, the Mortgage provided that, *inter alia:*

   a) the whole of the Loan monies advanced shall, at the option of HMT, become immediately due and payable;

b) HMT may, at the expense of Careadon, observe and perform or cause to be observed and performed such covenants, agreements, provisions or stipulations;

c) HMT or an agent of HMT may enter into possession of the Land and, whether in or out of possession, collect the rents and profits thereof;

d) HMT shall be entitled forthwith to take such proceedings to obtain repayment of the monies and interest payable to HMT and to realize on its security under the Mortgage;

e) HMT may appoint a Receiver-Manager of the Lands or of Careadon.

10. As further security for the repayment of the principal sum, interest and all monies due and owing under the Mortgage, Careadon executed a General Assignment of Rents and Leases Agreement with HMT dated on or about April 29, 2021, which was registered against the Lands by Caveat as Registration No. 212 131 362 on or about June 14, 2021.

11. As further security for the repayment of the principal sum, interest and all monies due and owing under the Mortgage, Careadon executed a Security Agreement with HMT dated April 29, 2021, which was registered with the Alberta Personal Property Registry on April 22, 2021, as Registration No. 21042207546. Such security includes all goods and money of Careadon.

12. Pursuant to a Guarantee in writing dated on or about April 29, 2021, 197 guaranteed the full repayment of the principal sum plus all such other amounts that may from time to time be owing to HMT under and pursuant to the terms of the Loan and Mortgage. Such other amounts include all interest accruing thereon and all charges which are or become payable thereunder according to the terms of the Loan and Mortgage and which are payable to HMT, including the payment of HMT's solicitor and own client legal costs on a full indemnity basis ("**Guarantee**").

13. The Loan and Mortgage has matured as of June 1, 2023. As such, the entire Loan balance owing to HMT by Careadon and 197, including interest and costs, is immediately due and payable.

14. In default of the terms of the Loan and Mortgage, Careadon and 197 have failed, refused or neglected to repay the amounts due and owing pursuant to the Mortgage and Guarantee. Careadon has other defaults under the Loan and Mortgage including being insolvent and permitting a builder lien registration.

15. There is due and owing to HMT by Careadon and 197, under and by virtue of the, Loan, Mortgage and the Guarantee, the sum of $13,138,718.91 as of June 1, 2023, or alternatively such further and other amounts as shall be proven, plus legal costs on a solicitor and own client full indemnity basis, plus interest at the Mortgage Rate, plus any and all other additional charges and costs which become owed to HMT.

16. HMT states that having regard to Careadon's ability to pay, and Careadon being insolvent, and given the amounts owed by Careadon to HMT and to others including a subsequent lender, and given the value of the Lands, the period of redemption on any Order in this action should be set at no more than ONE (1) day.

Remedy sought:

17. Wherefore the Plaintiff claims the following from the Defendants, jointly and severally:

a) A Declaration as to the amount owing under the Loan, Mortgage and Guarantee with interest according to the terms thereof, and in default of payment, such remedy or remedies as against the Lands which HMT deems appropriate;

b) Judgment against the Defendants for any and all sums found to be due and owing to HMT with interest thereon at the rate set forth in the Mortgage, both before and after default and judgment, or at such other rate as the Court may order;

c) Judgment against the Defendants in the event that there is any deficiency in the amount available or deemed to be available for the satisfaction of the HMT's claim herein following sale and possession of the Lands and any chattels, for the amount of any such deficiency as determined by this Honourable Court, together with interest according to the terms of the Mortgage, until payment in full, or at such other rate as the Court may order;

d) An Order setting the redemption period to be ONE (1) day or such other period as this Honourable Court may direct and an Order directing sale of the Lands on terms to be determined;

e) An Order for possession of the Lands, or any portion thereof, and a Writ of Possession;

f) An Order for the appointment of a Receiver-Manager of the Lands or of Careadon;

g) An Order for preservation of the Lands, if necessary;

h) An Order indemnifying HMT for all costs and expenses incurred with interest according to the terms of the Mortgage;

i) An Order directing recovery and judgment of all of HMT's costs in this action including legal costs on a solicitor and its own client full indemnity basis; and

j) Such further and other relief as this case may require and this Honourable Court deems just and appropriate, including an accounting by the Defendants and any appropriate injunctive relief and declarations, including in respect of funds being held in trust or directions in respect of such funds.

NOTICE TO THE DEFENDANTS

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of King's Bench at Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the Plaintiff's address for service.

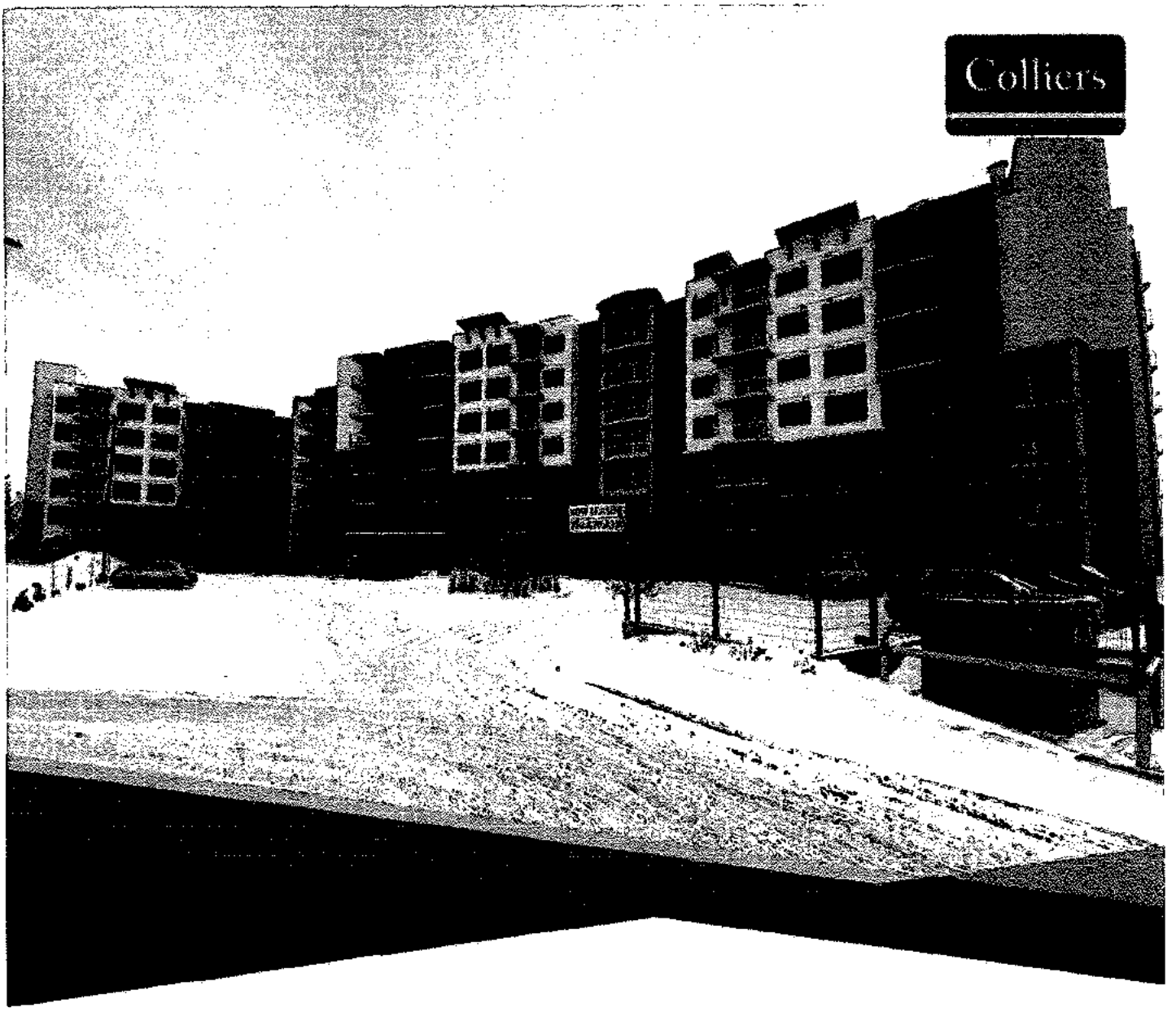
WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the Plaintiff against you.

This is **Exhibit "EE"** referred to in the Affidavit of Daneka-Lee Puech, sworn before me this 25 day of June, 2023

A Commissioner for Oaths in and for Alberta

SPENCER NORRIS
BARRISTER & SOLICITOR



Full Narrative Appraisal

Careadon Village

2 Inglewood Drive, St. Albert, Alberta

March 2023

PREPARED BY
Perry Gereluk, Vice President
Colliers International Realty Advisors Inc.

PREPARED FOR
Steven Domingues, Senior Underwriter
UMC Financial Management Inc.

2210 Manulife Place
10180 - 101 Street NW
Edmonton, Alberta T5J 3S4
www.colliers.com

MAIN: +1 780 420 1585
DIR: +1 780 969 2979
FAX: +1 780 424 7830
EMAIL: perry.gereluk@colliers.com

Our File No. EDM230023

Report Date: March 14, 2023

UMC Financial Management Inc.
Suite 201, 14020 - 128 Avenue NW
Edmonton, Alberta
T5L 4MB

Attention: Steven Domingues, Senior Underwriter

Dear Mr. Domingues:

RE: CAREADON VILLAGE
2 INGLEWOOD DRIVE, ST. ALBERT, ALBERTA

As requested, I have completed a Full Narrative Appraisal consistent with Appraisal Institute of Canada guidelines in order to estimate the market value of the property herein described as Careadon Village as if fully constructed and operating at stabilized levels. Since this report contains Extraordinary Assumptions regarding the completion and lease-up of the property, it is not an "as is" appraisal.

Based on the analysis contained herein, the market value of Careadon Village as if fully constructed and operating at stabilized levels as of February 22, 2023 is estimated to be:

Seventy Six Million Nine Hundred Sixty Thousand Dollars
$76,960,000

This value is based on an exposure time of nine months and is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. The property rights appraised are those of the Fee Simple Estate Interest as a Going Concern. Careadon Village has been appraised as if it is free and clear of all property-related financing instruments.

Your attention is directed to the following appraisal that contains the data, analysis, and supporting conclusions upon which this value estimate was based.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.
Valuation & Advisory Services Division

Perry Gereluk, B. Comm., AACI, MRICS, LEED AP
Vice President

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Executive Summary

Careadon Village
2 Inglewood Drive
St. Albert, Alberta

Effective Date of Valuation	• February 22, 2023.
Property Type	• Seniors residence.
Property Rights Appraised	• Fee Simple Estate Interest as a Going Concern.
Intended Use	• Internal accounting purposes.
Intended User and Client	• UMC Financial Management Inc.
Legal Description	• Plan 1623283, Block 1, Lot 4A.
Tax Roll Number	• 128684.
Site Area	• 2.55 acres, more or less.
Land Use Classification	• R4 (High Density Residential Land Use District).
Level of Care	• Independent living.
Unit Mix	• The unit mix includes 49 one-bedroom units and 115 two-bedroom units for a total of 164 units.
Description of Improvements	• Careadon Village is a seven-storey reinforced concrete building that will be completed in 2023. The above-grade building area is approximately 181,456 square feet and includes a range of private and common areas.

Highest and Best Use

Current Use	• Seniors residence.
Highest and Best Use As Vacant	• Holding property for high-density residential development.
Highest and Best Use As Improved	• The seniors residence as currently developed.

Value Assumptions

Conventional Assumptions	• See the Terms of Reference section of this report.
Extraordinary Assumptions	• Hypothetical Condition for construction completion. • Hypothetical Condition for full occupancy.
Extraordinary Limiting Conditions	• None.

Investment Characteristics

Positive Characteristics	• Brand new and attractive concrete frame structure. • Picturesque setting near compatible commercial uses. • Predominantly two-bedroom units. Good common areas. • Healthy economic conditions in the province.
Negative Characteristics	• Relatively low level of care is deflationary to unit values. • High vacancy levels for seniors homes in Alberta. • Skepticism regarding life-lease occupancy. • Abundance of seniors homes in St. Albert.

Value Conclusions

Income Approach - Overall Income Capitalization

Net Operating Income	• $5,194,094.
Overall Capitalization Rate	• 6.75%.
Value Conclusion	• $76,950,000.

Income Approach - Discounted Cash Flow Analysis

Internal Rate of Return	• 8.75%.
Terminal Capitalization Rate	• 7.25%.
Value Conclusion	• $76,760,000.

Direct Comparison Approach

Number of Units	• 164 units.
Value Per Unit	• $470,000 per unit.
Value Conclusion	• $77,080,000.

Reconciliation and Value Summary

Final Value Conclusion	• **$76,960,000.**
Resultant Capitalization Rate	• 6.75%.
Resultant Value Per Room	• $469,268 per room.
Exposure Time	• Nine months.

EXTERIOR PHOTOGRAPHS

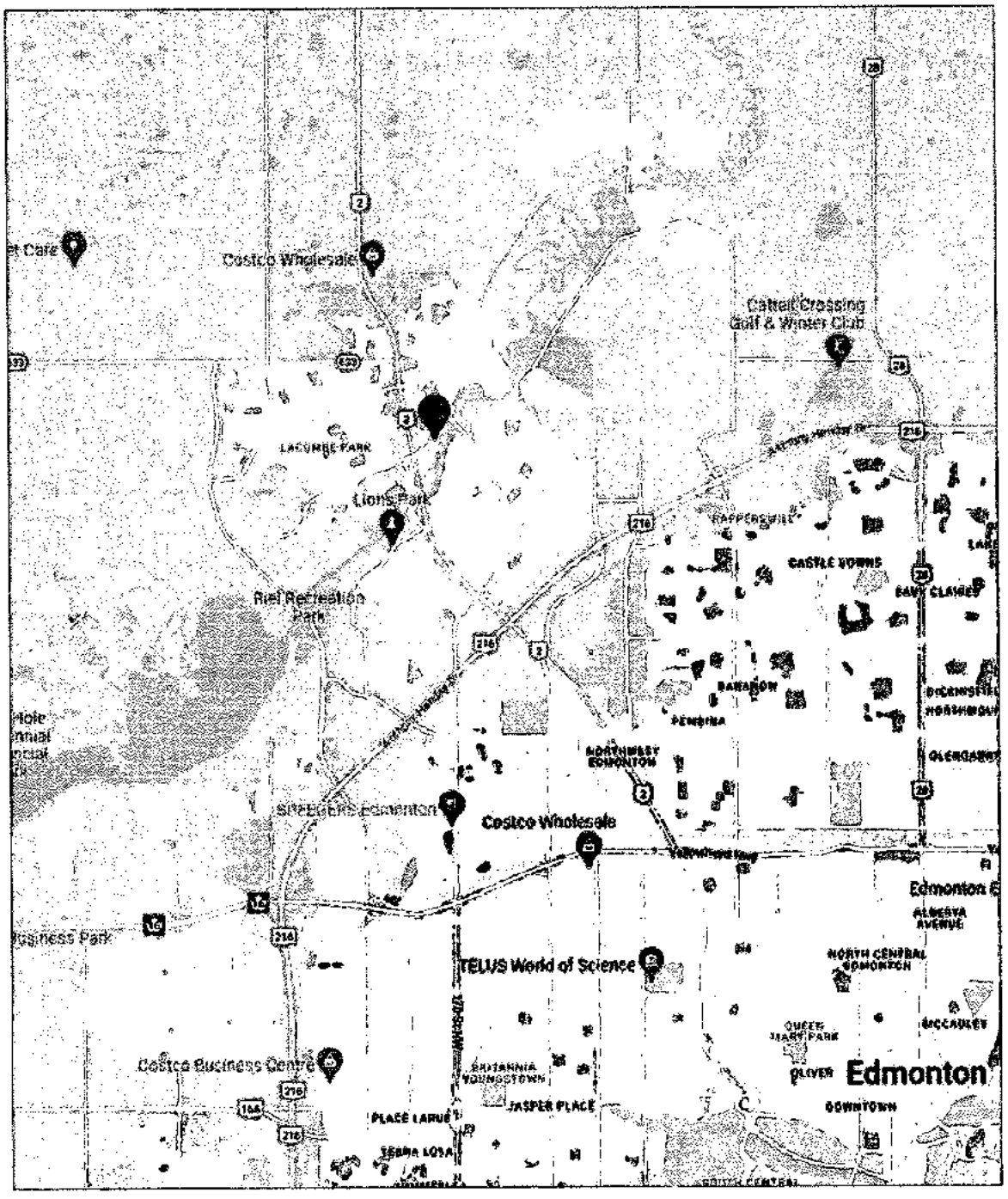
View from the Northeast

View from the Northwest

EXTERIOR PHOTOGRAPHS

View from the Southeast

View from the Southwest



General Location Map

Terms of Reference

Intended Use of the Report

The purpose of this Full Narrative Appraisal is to estimate the market value of Careadon Village as if fully constructed and operating at stabilized levels. The only intended use of this report is for internal accounting purposes. Any other use of this report is strictly forbidden. Since this report contains Extraordinary Assumptions regarding the completion and lease-up of the property, it is not an "as is" appraisal.

Intended User and Client of the Report

This report is only intended for use by UMC Financial Management Inc. Use of this report by any other party is strictly forbidden unless a personalized Letter of Transmittal is provided directly from Colliers International Realty Advisors Inc.

Property Rights

The property rights appraised are those of the Fee Simple Estate Interest as a Going Concern. The Fee Simple Estate Interest is the most complete form of ownership in Canada and is limited only by the powers of government (i.e. taxation, expropriation, police, and escheat). A "Going Concern" appraisal, in the context of a seniors residence, includes the following three components.

- ***Real estate.*** This includes the underlying land, the building improvements, and the furnishings and fixtures attached in a permanent way thereto.
- ***Tangible personal property.*** This includes furniture, fixtures, and equipment that are movable assets within the property but are essential to its operation as a seniors residence.
- ***Intangible assets.*** This includes a variety of business-oriented assets such as working capital, a trained workforce, the name and reputation of the residence, licensing/permitting for the operation of the business, revenue departments associated with common areas at the property, etc.

This report estimates the value of the property as a Going Concern because functional seniors residences are never sold for their real estate component alone. The three components of typical seniors residence operations (real estate, tangible personal property, intangible assets) are always sold as a bundle for functional properties. Separating real estate, tangible personal property, and intangible assets is a theoretical exercise that is speculative and has no relevance to the manner in which seniors residences are bought and sold in the Canadian marketplace. As such, this report estimates the value of these components as a whole Going Concern operating asset to reflect the behaviour of actual market participants.

Effective Date

The Effective Date of this valuation is February 22, 2023.

Site Visit

Brandon Simmelink provided professional assistance for this appraisal by conducting a site visit to the subject property on February 22, 2023. Brandon is a Candidate Appraiser at Colliers International Realty Advisors Inc. and is on the Candidate Registry for Perry Gereluk at the Appraisal Institute of Canada. Readers should be aware that a site visit by a property appraiser is not the equivalent of an inspection by a licensed trade specialist like an architect, engineer, home inspector, etc. It is merely a visual observation of building materials and condition. Fieldwork and research for this assignment was completed only during February and March 2023.

Market Value Definition

According to the 2022 Edition of the Canadian Uniform Standards of Professional Appraisal Practice, market value is defined as:

> *"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress."*

Exposure Time

An estimate of market value is related to the concept of reasonable Exposure Time. Exposure Time is the property's estimated Marketing Time prior to a hypothetical sale at market value on the Effective Date of the appraisal. It is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The opinion of the time period for reasonable exposure is not intended to be a prediction of a date of sale or a one-line statement. Instead, it is an integral part of the analyses conducted during the appraisal assignment.

In appraisal theory and practice, there is a distinction relating to the perspective between Exposure Time and Marketing Time. Exposure Time is presumed to precede the Effective Date of appraisal whereas Marketing Time is presumed to succeed the Effective Date. Marketing time is a prospective function of asking price, property type, and anticipated market conditions. The Exposure Time assumes the following.

- The property was extensively marketed. Potential purchasers could visit the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.

- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the Canadian seniors residence investment market have indicated that properties like Careadon Village typically require a Marketing Time of six to twelve months depending on several factors including its location, scale of operations, occupancy levels, building condition, market conditions, and motivation of the vendor/purchaser. Therefore, it is concluded that for Careadon Village to sell at the market value estimated herein as of the Effective Date of this report, an Exposure Time of approximately nine months would be required.

Scope of the Valuation

This is a Full Narrative Appraisal that complies with the reporting requirements set forth under the Canadian Uniform Standards for Professional Appraisal Practice of the Appraisal Institute of Canada. As such, all relevant material is provided in this report including a discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein.

The author has completed numerous appraisals on seniors residences and he therefore affirms that he has the experience and knowledge necessary to complete this valuation assignment with competence. Municipal and neighbourhood information, including tax information, were provided by the City of St. Albert and verified where appropriate and possible. The site area and dimensions are from information provided from the Alberta Land Titles Office and the client of this report. Should further confirmation of site size and dimensions be required, a Real Property Report of the site should be commissioned.

Extraordinary Assumptions

An Extraordinary Assumption is an assumption, which if not true, could materially alter the appraiser's opinions and conclusions. This may or may not include Hypothetical Conditions, which are facts that are not self-evident regarding the appraised property. The following two Extraordinary Assumptions were invoked within this appraisal.

- The property was nearing construction completion as of the Effective Date of this report. It is a Hypothetical Condition of this appraisal that the improvements have been fully constructed and that the interior has been fully finished/furnished as detailed in the Description of Improvements section. The inclusion of this Hypothetical Condition requires the invocation of an Extraordinary Assumption herein. Should the property fail to be completed as detailed in the Description of Improvement section, then this appraisal would be voided. Readers should be aware that the property's value as partially constructed/finished is less than its value as fully constructed/finished.

- Only a small portion of the units at Careadon Village have been leased-up as of the Effective Date of this report. It is a Hypothetical Condition of this appraisal that the property has been fully leased-up to stabilized levels as detailed in the Valuation section. The inclusion of this Hypothetical Condition requires the invocation of an Extraordinary Assumption herein. Should the property fail to be completed as detailed in the Valuation section, then this appraisal would be voided. Readers should be aware that the property's value with an occupancy that is less than stabilized levels is less than its value as operating at stabilized levels.

Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification or exclusion of an Appraisal Institute Standard Rule. Such special circumstances include the inability to complete a site visit, the purposeful exclusion of a relevant valuation technique, etc. No Extraordinary Limiting Conditions were invoked within this appraisal.

Conventional Assumptions and Limiting Conditions

This report is subject to the Conventional Assumptions and Limiting Conditions set forth below in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated herein and should be thoroughly read and understood before any reliance on this report should be considered.

1. This appraisal is prepared only for the client and authorized user specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from Colliers International Realty Advisors Inc. Liability is expressly denied to any other person, and accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this appraisal. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Market conditions including economic, social, and political factors, may change rapidly and without warning. Therefore, this report cannot be relied upon as of any date other than the Effective Date specified in this report unless specifically authorized by the author.
3. The author is not responsible for matters of a legal nature that affect either the property being appraised or its title documents. The property is appraised on the basis that it is under responsible ownership as of the Effective Date. The author assumes that the title documents are good and marketable and that they are free of all value-influencing encumbrances. Should the title ownership or title encumbrances have any significant effect on value as of the Effective Date, such an effect has not been accounted for within this appraisal. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Details within this appraisal regarding property

ownership and title encumbrances are for information purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute confirmation of title data. Provision of this data does not negate the need to retain a real estate lawyer, surveyor, or other appropriate experts to verify matters of title ownership and encumbrances.

4. The property has been appraised with the assumption that it has been built, occupied, and operated in full compliance with the requirements of all Federal, Provincial, and Municipal laws as of the Effective Date. Verification of compliance with governmental regulations, bylaws, or statues is outside the appraisal scope of work and the expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance on such data is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance. It is noted that non-compliance of Federal, Provincial, or Municipal laws can affect the value of the property in a significant manner and further investigation from a licensed expert in these matters is highly recommended.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey and an accredited surveyor should be retained for such matters.
6. This appraisal is completed on the basis that testimony in court or administrative hearings relating to this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not be limited to, adequate time to review the report, time to review related data, and the provision of appropriate compensation for such duties. The author reserves the right to refuse such further participation.
7. The author has no knowledge of any hidden or unapparent conditions on the subject property or on a neighbouring property that could affect the value of the subject property as of the Effective Date. It has been assumed that there are no such conditions. This includes, but is not limited to, its soils, physical structure, mechanical or other operating systems, electrical systems, foundation, roofing structures, etc. Any such conditions that were visibly apparent at the time of the site visit or that became apparent during the normal research involved in completing the report have been noted in the report. This appraisal should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of the appraisal and the qualifications of the author. The author makes no guarantees or warranties, expressed or implied, regarding the condition of the property and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate for the existing development.
8. The author is not qualified to comment on detrimental environmental, chemical, or biological conditions that may affect the market value of the property appraised as of its Effective Date. This includes but is not limited to pollution or contamination of land, buildings, water, groundwater, or air. This may also include but is not limited to molds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of the site visit or that

became apparent during the normal research involved in completing this appraisal have been noted herein. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters. It is further assumed that the property is free of any detrimental environmental, chemical, and biological conditions that may affect the market value of the property appraised. If a party relying on this appraisal requires information about or an assessment of detrimental environmental, chemical, or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the market value of the subject property as of the Effective Date.

9. The analysis set out in this report was based on written and verbal financial information obtained from the property owner and considered reliable. This information was not verified by any internal or external process aside from the proofreading and approval of this appraisal by the client of this report. It is therefore a vital assumption that this appraisal accurately represents the financial potential of the property. Should these details be incorrect due to fraud or negligence, then this report would be voided. The appraiser does not certify, in any manner whatsoever, the accuracy of the financial details as supplied by the owner. Any party relying upon this report must therefore confirm to their satisfaction the accuracy of the historical data for the property as discussed herein.

10. The term "site visit" only refers to observations as defined by the Canadian Uniform Standards of Professional Appraisal Practice. The site visit scope of work includes the identification of marketable characteristics and amenities offered for comparison and valuation purposes only. Readers should be aware that a site visit is not the equivalent of an inspection by a licensed trade specialist like an architect, engineer, home inspector, etc. It is merely a visual observation of building materials and condition.

11. The author has not confirmed that all mandatory building inspections have been completed as of the Effective Date. The issuance of an occupancy permit has not been confirmed. The author has not evaluated the quality of the construction, workmanship, or materials. Confirmation of any building code compliance is beyond the professional expertise of the author and scope of this report.

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the privacy policy of Colliers International Realty Advisors Inc. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the Personal Information Protection and Electronics Documents Act.

13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its contents, and all Appendix items and their content are the property of Colliers International Realty Advisors Inc. The client, authorized user, and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted to modify, alter, merge, publish in whole or in part, screen scrape, database scrape, exploit, reproduce, decompile, reassemble, or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually, or by any other means whatsoever this appraisal report, Appendix items, attachments, and the data contained herein for any commercial or any other use.
15. If transmitted electronically, this report will have been digitally signed and secured with a personal password to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. This report is not intended for financing purposes. Should it be authorized for financing by a subsequent transmittal letter, it is a condition of reliance that the authorized lender will conduct lending, underwriting, and insurance underwriting with rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer. This includes but is not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis and to conduct loan underwriting or insuring due diligence similar to the standards as set out by the Office of the Superintendent of Financial Institutions even when not required by law. Liability is expressly denied to those parties that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
17. This appraisal does not value the subject property as part of a foreclosure process. It values the property with the market value definition as described within the Terms of Reference and Exposure Time sections of this report and is intended to provide a conventional market value of the property. Should the subject property be sold under forced conditions such as those evident within the foreclosure process, then the achievable value may be less than as appraised. Readers should be aware that properties sold under forced conditions can sell at a significant discount from normal market value.
18. The market value determined herein assumes an Exposure Time of nine months. The Exposure Time is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the Effective Date of valuation. The overall concept of an Exposure Time encompasses both an adequate, sufficient, and reasonable time frame as well as an adequate, sufficient, and reasonable effort. The Exposure Time depends on the type of asset being valued, market conditions, and property pricing.
19. The property has been valued on the basis that there is no action, suit, proceeding, or investigation pending or threatened against the real estate appraised herein. Such measures can have a significant impact on the current market value of the property and any party relying on this report is urged to ensure that none are currently outstanding.

20. The market value of the property does not necessarily represent the value of the underlying shares. Furthermore, the value of the property may or may not be proportional to divisional ownership or syndication. Such ownership arrangements can be influenced by a wide variety of accounting and tax factors that are independent of real estate considerations and therefore outside the scope of this appraisal.
21. The estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations, accounting issues, or any other atypical benefits that may influence the value of the property.
22. The market value estimated herein is predicated on a cash sale or sale with conventional financing. The applicable currency of the sale is assumed to be Canadian Dollars.
23. This appraisal is only valid if it bears the signature of the author.

Property Data

Municipal Address

Careadon Village is located along the north side of Inglewood Drive east of Bellerose Drive in the City of St. Albert, Alberta. The city technically describes the subject property as 2 Inglewood Drive.

Legal Description

The subject property is legally described as Plan 1623283, Block 1, Lot 4A excepting thereout all mines and mineral rights. Please refer to the Appendix of this report where a copy of the property title is located.

Ownership History and Encumbrances

Current Ownership

A search of Certificate of Title number 162 250 971 on March 6, 2023 indicated that Careadon Village is registered in the name of Careadon Corp. of Edmonton, Alberta.

Ownership History

The Appraisal Institute of Canada requires the analysis of any sales of the subject property that have occurred within the past three years prior to the Effective Date of the appraisal. No arms-length transfers are known to have occurred in the past three years.

Current Contracts

Canadian Uniform Standards of Professional Appraisal Practice require the consideration and analysis of any current agreement for sale, option, or listing of the property being appraised in the past year, if such information is available in the normal course of business. As of the Effective Date of this appraisal, no such contracts are known to have existed within the past twelve months.

Encumbrances

As of the date of search, there were numerous encumbrances registered against the title of the subject property. The author is not responsible for matters of a legal nature that affect either the property being

appraised or its title documents. The property is appraised on the basis of it being under responsible ownership as of the Effective Date. The author assumes that the title documents are good and marketable and that they are free of all value-influencing encumbrances. Should the title ownership or title encumbrances have any significant effect on value as of the Effective Date, such an effect has not been accounted for within this appraisal. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Details within this appraisal regarding property ownership and title encumbrances are for information purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute confirmation of title data. Provision of this data does not negate the need to retain a real estate lawyer, surveyor, or other appropriate experts to verify matters of title ownership and encumbrances. A copy of the subject property title has been inserted in the Appendix to this report if further information is sought regarding encumbrances.

Site Description

Information regarding the underlying site of Careadon Village is detailed below.

Site Area

The subject site contains 2.55 acres, more or less.

Site Dimensions

The subject site has an irregular configuration. It has frontage of approximately 313 feet along Inglewood Drive and a variable return depth. Please see the following Site Plan for a visual description.

Site Services

The subject site is fully serviced to municipal standards including water, electricity, natural gas, storm sewer, sanitary sewer, cable television, internet access, garbage removal, and telephone.

Adjacent Uses

The following adjacent uses are noted.

- To the north are a few multi-family developments and Ironwood Point.
- To the east are a walking path and the Sturgeon River.
- To the west are an office building/clinic and Bellerose Drive.
- To the south are Inglewood Drive and a regional shopping centre.

Adjacent Roadways

Inglewood Drive extends along the southern perimeter of the site. This four-lane paved roadway is finished with concrete curbs, street lighting, and sidewalks.

Site Access

Vehicular access to the subject is possible from one ingress point along Inglewood Drive. Access is also possible from the neighbouring property to the west.

Site Topography

The subject site has a gentle slope downward from the northwest to the southeast.

Soil Conditions

The author is not qualified to comment on detrimental environmental, chemical, or biological conditions that may affect the market value of the property appraised. This includes but is not limited to pollution or contamination of land, buildings, water, groundwater, or air. This may also include but is not limited to molds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of site visit or that became apparent during the normal research involved in completing this appraisal have been noted herein. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters. It is further assumed that the property is free of any detrimental environmental, chemical, and biological conditions that may affect the market value of the property appraised. If a party relying on this appraisal requires information about or an assessment of detrimental environmental, chemical, or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the market value of the subject property.

Flood Hazard

Careadon Village is not within a Floodway or Flood Fringe Area according to the Government of Alberta.

Municipal Regulation

Details regarding municipal regulation issues at the subject property are detailed below.

Statutory Plans

Careadon Village is part of the Inglewood Area Structure Plan.

Municipal Overlays

Careadon Village is not subject to any municipal overlays.

Land Use Classification

The subject property is designated R4 (High Density Residential) by the City of St. Albert.

Purpose of the Land Use

The general purpose of the R4 land use bylaw is to provide an area for higher residential development.

Allowable Uses

There are a variety of residential and institutional uses allowed by the R4 land use. The current use of the subject property appears to be discretionary. For a complete list of allowable uses, please see the Appendix to this report where a copy of the R4 land use bylaw has been included.

Development Regulations

Major development regulations applicable to the R4 land use bylaw include the following.

- Maximum building density of 57 units per acre.
- Minimum lot area of 8,073 square feet.
- Minimum front yard setback of 19.7 feet.
- Maximum building height of 82.0 feet.

For a complete list of development regulations, please see the Appendix to this report where a copy of the R4 land use bylaw has been included.

Land Use Compliance

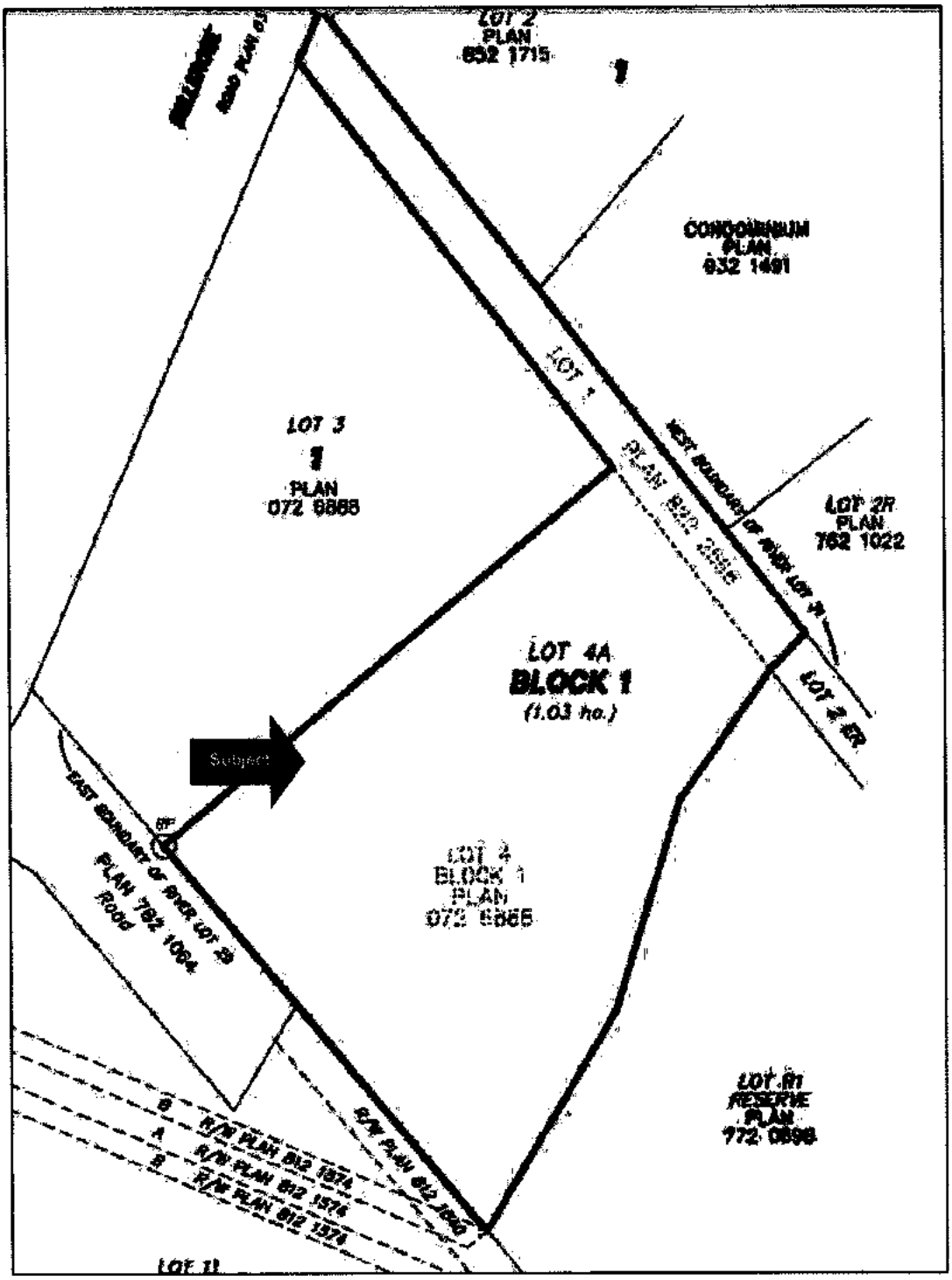
The subject property appears to be a discretionary and conforming use according to its land use bylaw. However, the appraiser is a not lawyer and therefore this observation is not a certified opinion. For greater certainty, enquiries should be made with the City of St. Albert or consultation with a real estate lawyer should be sought.

Assessment and Property Tax Information

The following information details 2022 assessment and taxation for the subject property as provided by the City of St. Albert Tax and Assessment Department. Information for 2023 is not yet available.

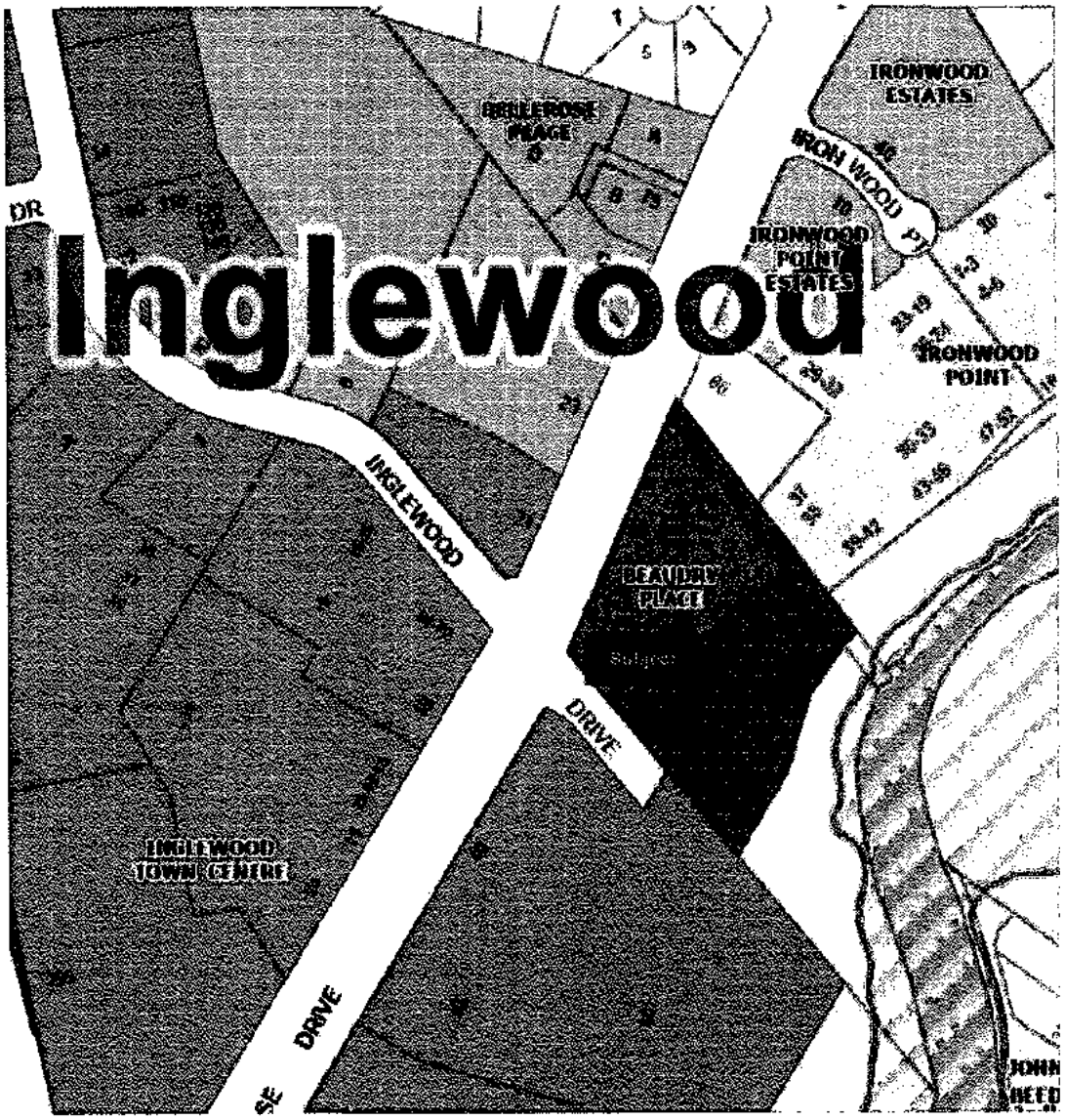
Tax Roll Number:	**128884**
2022 Assessment:	**$34,746,000**
2022 Tax Levy:	**$385,795.26**

The mill rate for residential properties for the City of St. Albert during 2022 was 11.1021. The 2022 tax levy of $385,795 appears to represent its value as constructed-to-date and not its assessment as completed and with a stabilized level of operation, which is assumed herein (see Extraordinary Assumptions).


LOT 2
PLAN
852 1715
CONDOMINIUM
PLAN
852 1491
LOT 3
1
PLAN
072 6868
LOT 1
LOT 2R
PLAN
762 1022
LOT 4A
BLOCK 1
(1.03 ha.)
Subject
LOT 2
BLOCK 1
PLAN
072 6868
LOT R1
RESERVE
PLAN
772 0898
LOT 11

Site Plan

Aerial Photograph


Inglewood
IRONWOOD ESTATES
IRONWOOD POINT ESTATES
IRONWOOD POINT
BEAUDRY PLACE
INGLEWOOD
INGLEWOOD TOWN CENTRE
DRIVE
SE DRIVE
DR
R3 Medium Density Residential
R3A Medium Density Residential
R4 High Density Residential
DR Downtown Residential
MT Midtown District

Land Use Map

Description of Improvements

Property Name

- Careadon Village.

Property Type

- Seniors residence.

General Property Description

- Careadon Village is situated along the eastern perimeter of the subject site. Surface vehicle parking is provided to the west.
- The improvements will be completed this year (2023). According to the Marshall Valuation Service, Good Quality Class B Assisted Living Complexes have an economic life expectancy of approximately 60 years.
- Due to the slope of the site, there are six storeys along the western elevation and seven storeys along the eastern elevation. There is also a sub-grade parkade.
- The building contains 30,162 square feet on the main floor, 29,946 square feet on the second floor, 29,934 square feet on floors three through six, and 16,811 square feet on floor seven. The total above-grade building area is therefore approximately 181,456 square feet. There is also a parkade that contains approximately 30,977 square feet. The gross rentable area at the property is 167,621 square feet.
- The improvements were in excellent condition at the time of property inspection and are well-suited to the current seniors residence use. It is considered fully finished/furnished (see Extraordinary Assumptions) as of the Effective Date of appraisal.

Structural Details

- The foundation of the building consists of a poured concrete foundation walls supported by concrete footings and pilings.
- The superstructure of the building consists of reinforced concrete.
- The roof for the building consists of concrete beams, flat concrete roof decking, and an SBS roofing membrane.
- The appraiser is not a qualified roofing inspector. The roofing structures at Careadon Village were not inspected for this report and are considered to be in good condition for the purposes of this report. Any significant roofing deficiencies would represent a deduction from the appraised value

as determined herein. A certified building inspector is recommended to determine the true condition of the roof.

Exterior Building Features

- The exterior of the building is finished with an EIFS stucco wall system with stone accents.
- Windows are triple-glazed units in vinyl frames. Exterior entrance doors are aluminum frame units with triple glazing.
- Patio areas (main floor) and balconies (upper floors) are available to each guest room.
- Decorative parapets and canopies have been constructed along the roofline.
- A porte cochere extend from the front of the building (west elevation).
- Exterior up/down lighting is installed around the building perimeter.

Resident Units

- There are 164 residential units at Careadon Village. The following table details the unit mix for Careadon Village as of the writing of this report.

Unit Type	Units	% of Total	Average SF	Total SF
One Bedroom Suites	11	6.7%	783	8,611
One Bedroom + Den Suites	38	23.2%	898	34,124
Two Bedroom Suites	108	65.8%	1,080	116,675
Two Bedroom + Den Suites	7	4.3%	1,173	8,211
Totals	**164**	**100%**	**1,022**	**167,621**

- Flooring within the resident units consists primarily of vinyl planking. Ceramic tile is also evident.
- Walls consist primarily of painted gyproc.
- Ceilings consist primarily of textured gyproc.
- Lighting includes pot lighting, hanging fluorescent, and wall mounted fluorescent fixtures.
- Bathrooms includes fiberglass standup showers with seat or bathtub, cabinet sink, toilet, mirror, and shelving.
- The laundry room includes full size washer and full size dryer.
- Kitchens includes full-size fridge, double sink, quartz countertops, backsplash, full-size stove, dishwasher, space saving microwave, and extensive cabinetry.

Common Area Amenities

- There is an entrance lobby area with foyer that is accessed from the western elevation. It is finished with vinyl planking, painted gyproc walls with accents, and textured gyproc ceilings with pot lighting and ceiling mounted LED lighting. It contains lobby furniture, an accent wall, and a two-sided fireplace.
- A dining room is provided at the building. It is finished with vinyl planking, painted gyproc walls, textured gyproc ceilings, and pot lighting/ceiling mounted LED lighting. A commercial kitchen is situated adjacent to the dining room. It was not finished at the time of site visit.
- A theatre is also featured on the main floor. It is tiered for optimal screen viewing and contains carpeted flooring, painted gyproc walls, textured gyproc ceiling, recessed ceiling lighting, movable chairs, and audio-visual equipment.
- Other common areas include a library, multi-purpose rooms, a woodworking room, crafts room, and swim spa. A rooftop patio is also available.
- There is a basement parkade that contains 71 stalls and storage/utility rooms.

Building Services

- Heating and cooling to the property is provided by a heat pump system and make-up air units.
- Main electrical service to the property is 1,600 amps and 600 volts. Each unit is individually metered for power.
- Multiple commercial hot water heating tanks service the washrooms and kitchen areas throughout the facility.
- The structure is fully sprinklered (wet sprinkler system) on each floor.
- There are three elevators that service each floor.
- A standard building security system has been installed.

Other Site Improvements

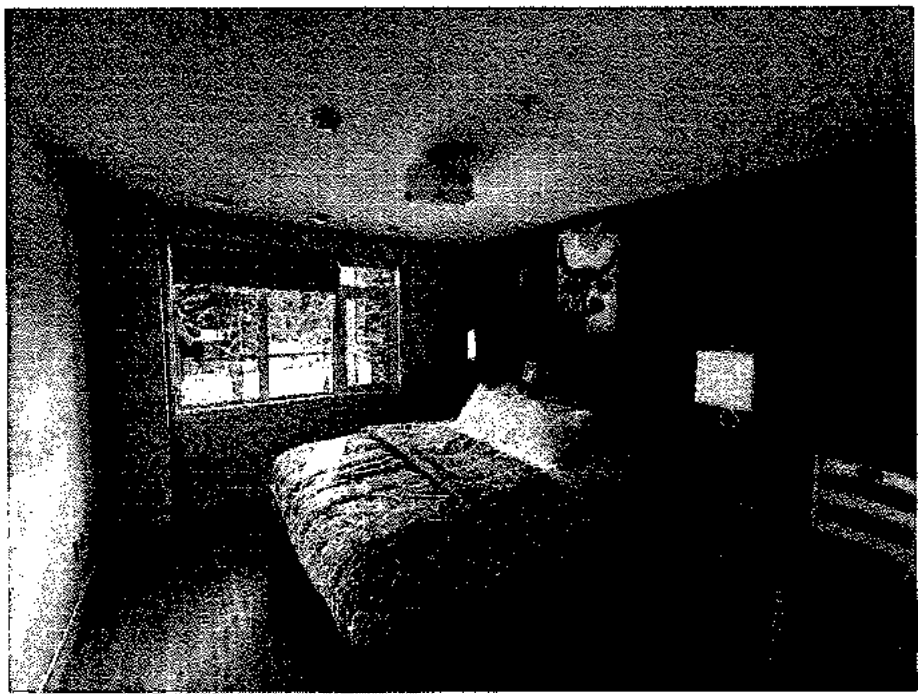
- There are approximately 92 paved parking stalls provided to the west of the building.
- Landscaping is installed along the perimeter of the site and adjacent to the building. This includes grass, trees, flower gardens, and shrubs. A small garden is also provided.
- A sidewalk extends along the front (western) elevation of the building.
- Garbage bins are installed adjacent to the building.

Conclusions

- Careadon Village is a modern and functional seniors residence. It has an attractive appearance and is competitive in the St. Albert seniors housing market.

- The author has no knowledge of any hidden or unapparent conditions on the subject property or on a neighbouring property that could affect the value of the subject property as of the Effective Date. It has been assumed that there are no such conditions. This includes, but is not limited to, its soils, physical structure, mechanical or other operating systems, electrical systems, foundation, roofing structures, etc. Any such conditions that were visibly apparent at the time of the site visit or that became apparent during the normal research involved in completing the report have been noted in the report. This appraisal should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of the appraisal and the qualifications of the author. The author makes no guarantees or warranties, expressed or implied, regarding the condition of the property and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate for the existing development.
- The author is not qualified to comment on detrimental environmental, chemical, or biological conditions that may affect the market value of the property appraised as of its Effective Date. This includes but is not limited to pollution or contamination of land, buildings, water, groundwater, or air. This may also include but is not limited to molds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of the site visit or that became apparent during the normal research involved in completing this appraisal have been noted herein. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters. It is further assumed that the property is free of any detrimental environmental, chemical, and biological conditions that may affect the market value of the property appraised. If a party relying on this appraisal requires information about or an assessment of detrimental environmental, chemical, or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the market value of the subject property as of the Effective Date.

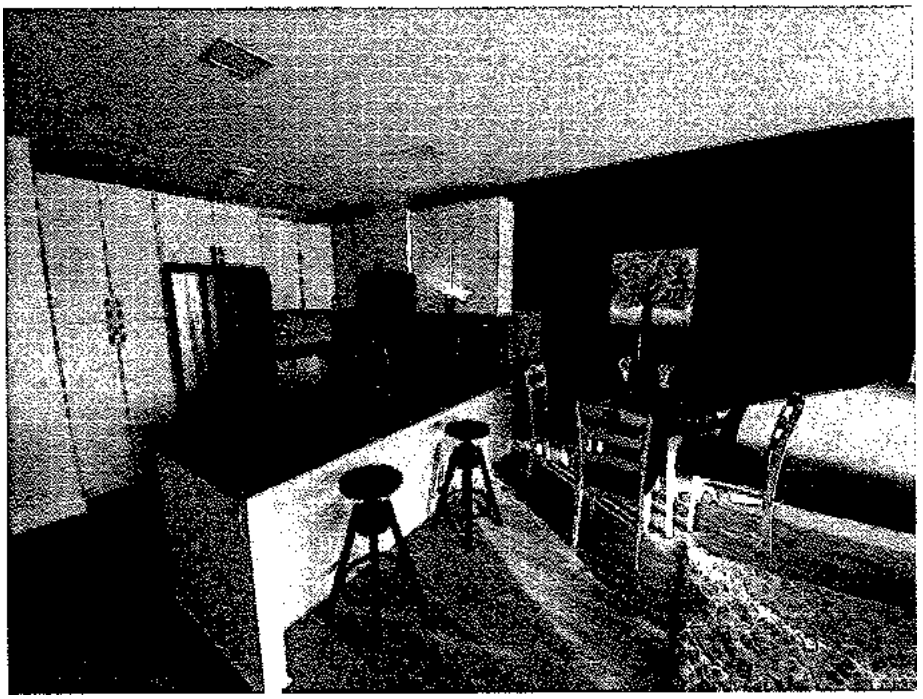
INTERIOR PHOTOGRAPHS



Resident Unit

Resident Unit

INTERIOR PHOTOGRAPHS



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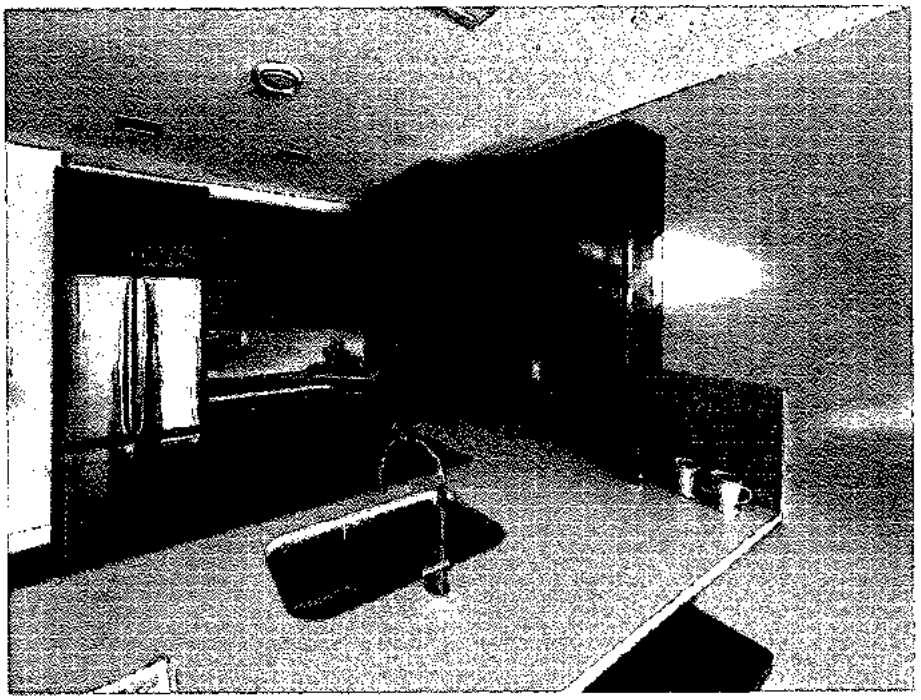
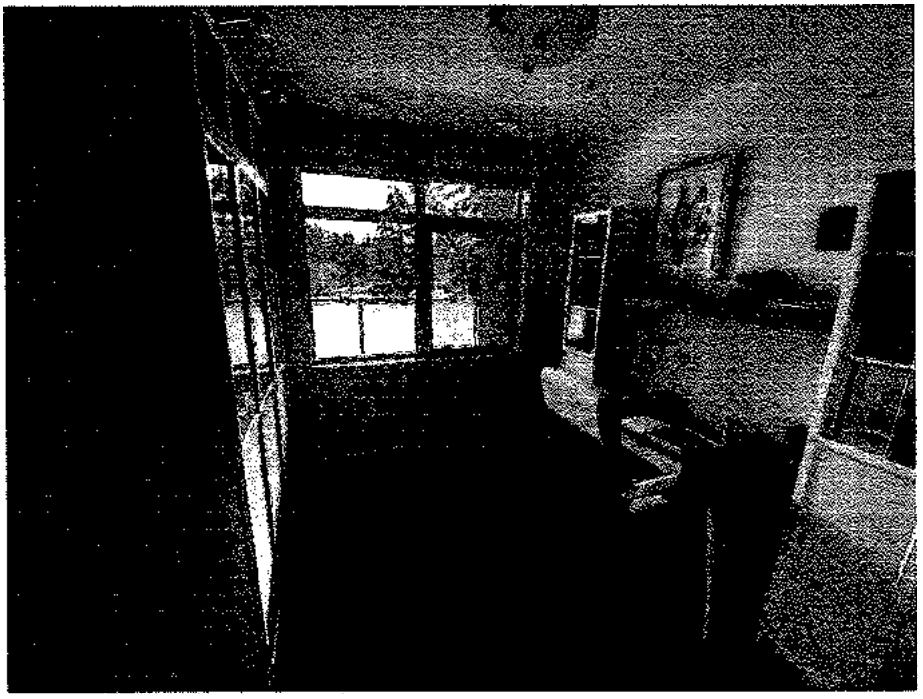


Resident Unit

INTERIOR PHOTOGRAPHS



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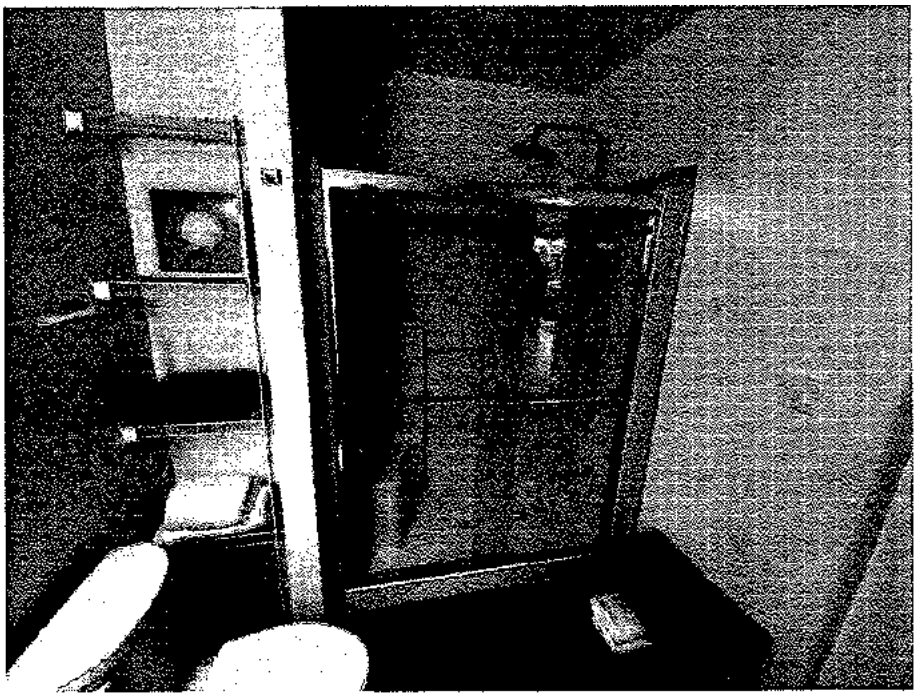
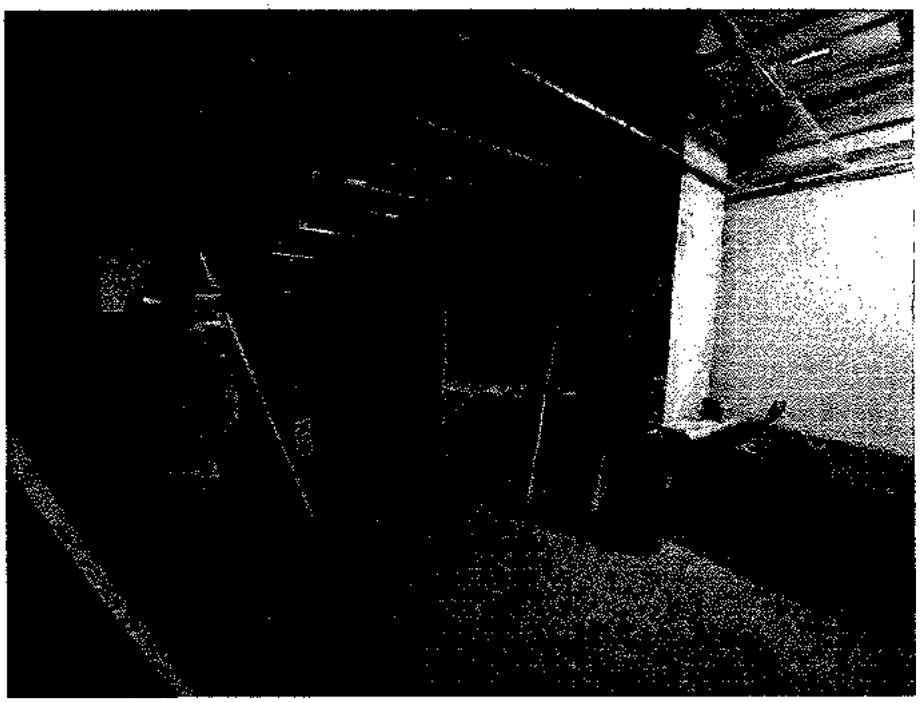


Resident Unit

INTERIOR PHOTOGRAPHS

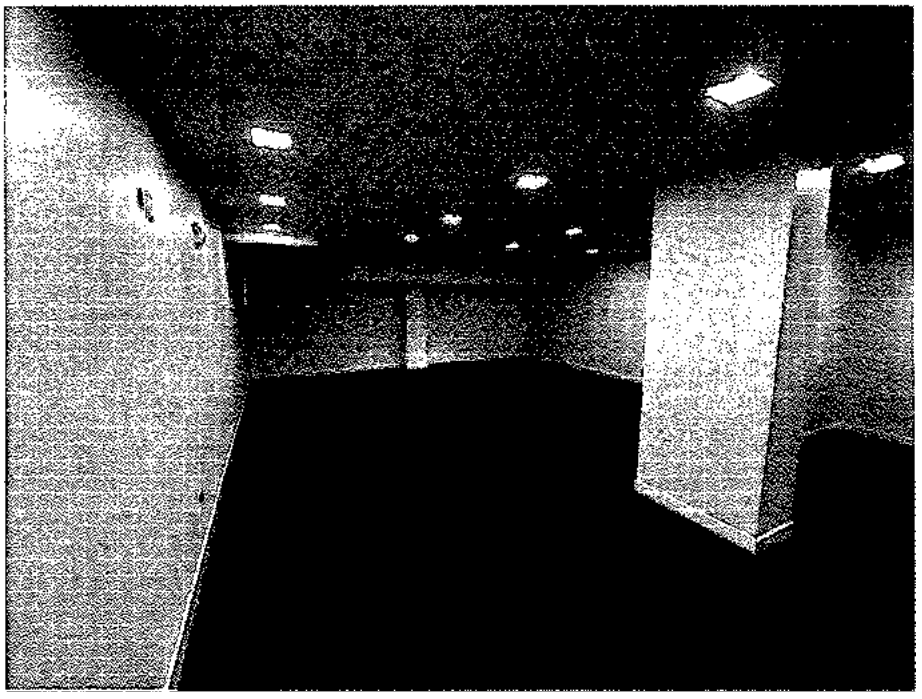
Dining Room



Kitchen

INTERIOR PHOTOGRAPHS

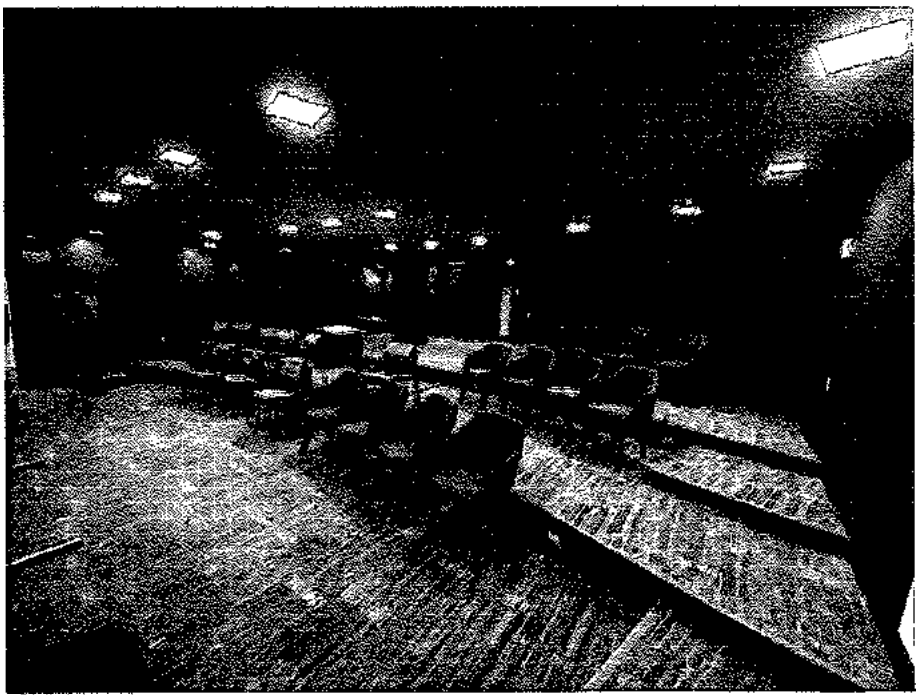
Multi-Purpose Room



Fitness Room

INTERIOR PHOTOGRAPHS

Library



Theatre Room

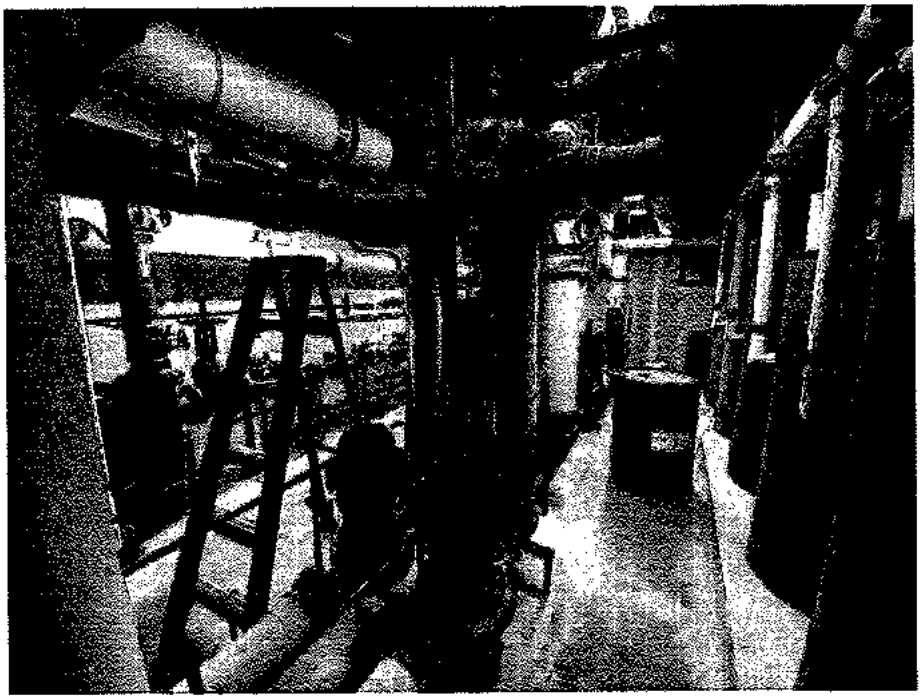
INTERIOR PHOTOGRAPHS

Staff Office

Front Foyer

INTERIOR PHOTOGRAPHS

Electrical Room



Mechanical Room

INTERIOR PHOTOGRAPHS

Underground Parkade

Underground Parkade

Market Overviews

Canadian Economic Overview

Population

The population of Canada was reported to be 36,991,981 by the 2021 Canadian Census. This represents a 5.2% increase compared to the 2016 Canadian Census that reported a population count of 35,151,728. Population statistics for the country over the past five census periods are detailed in the following table.

Canadian Population - Statistics Canada

	2001	2006	2011	2016	2021
Population Count	30,007,094	31,612,897	33,476,688	35,151,728	36,991,981
% Increase	4.0%	5.4%	5.9%	5.0%	5.2%

There were 16,284,235 private dwellings in Canada according to the 2021 Census. Similar to most developed countries, Canada is becoming increasingly urban. Rural Canadians now make up 17.8% of the population compared to 18.7% five years earlier. The largest population increase in the most recent census was within the Yukon while the largest decrease occurred in Nunavut. The population update from Statistics Canada reports the national population increased to 39,292,355 as of October 2022. The addition of 362,453 persons during the Fourth Quarter (up 0.9%) is the highest rate of population growth since 1957.

Economic Growth

The Canadian economy has recorded uneven growth over the past decade. The following table details actual economic growth from 2019 to 2022 plus the forecasted growth for 2023 and 2024 according to the Conference Board of Canada's most recent economic update.

Canadian Economic Growth – Conference Board of Canada

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
GDP Growth	1.6%	-4.3%	5.1%	3.2%	0.9%	2.0%

The forecasts for calendar 2022 and 2023 were recently lowered. Although the economic effects of the COVID-19 pandemic have disappeared, interest rate increases, the war in Ukraine, and labour shortages are impacting the economy negatively. If commodity prices remain high and interest rates taper off, then greater growth can be expected for 2023. As of the writing of this report, however, significant uncertainty with major economic variables makes accurate predictions for 2023 elusive.

Labour Force

Employment growth in the nation over the past six years is detailed within the following table.

Canada Labour Force Growth – Statistics Canada

	2017	2018	2019	2020	2021	2022
Net Job Gain	422,500	163,300	320,300	-571,600	886,000	448,400

The unemployment rate at the end of 2022 was 4.6%. This is a mild decrease from the unemployment rate as registered at 5.7% at the end of 2021. Although there was a net gain of 448,400 jobs last year, the labour force also increased by 246,100 and thus muted a more significant decrease in the unemployment rate. The net job gain during 2022 included an increase of 472,500 full time positions and a decrease of 24,100 part time positions. There was also 202,300 fewer unemployed persons in Canada last year. Elevated interest rates in the nation will cool the economy in 2023 and therefore job gains should be below those evident during the past two years. In January 2023 the unemployment rate was 4.9%. This marked a slight decrease from the 6.0% unemployment rate recorded in January 2022.

Manufacturing

Canadian manufacturing shipments moved significantly downward during 2020 but recovered to new record levels in 2021. The following table details historical seasonally adjusted manufacturing shipments for the nation over the past six years.

Canadian Sales of Manufactured Goods – Statistics Canada - Millions CDN$

	2017	2018	2019	2020	2021	2022
Dollar Volume	$651,482	$685,227	$687,952	$611,217	$719,192	$850,880

For the month of December 2022, seasonally adjusted manufacturing sales were $70.97 billion. This represents a 1.5% decrease compared to the prior month and a 9.3% increase compared to December 2021. On a year-over-year basis, Petroleum and Coal Products (27.4%) and Computer and Aerospace Products and Parts (up 26.1%) sectors experienced the largest increases. Clothing Manufacturing (down 24.1%) witnessed the largest year-over-year decrease. Inventories increased by 15.6% on a year-over-year basis for December 2022 to $121.32 billion. Unfilled orders increased by 15.0% on a year-over-year basis to $108.35 billion.

Retail Sales

Canadian retail sales were steadily increasing since 2010. They dipped slightly in 2020 but increased significantly last year due to the resolution of the COVID-19 pandemic. Seasonally adjusted retail sales in the nation over the past six years are detailed on the following table.

Canadian Retail Sales – Statistics Canada - Millions CDN$

	2017	2018	2019	2020	2021	2022
Dollar Volume	$588,828	$605,934	$615,575	$603,533	$673,718	$735,792

Seasonally adjusted retail sales during 2022 were $735.8 billion, which is a 9.2% increase compared to the prior year and marked a new record high. E-commerce sales comprised 6.5% of the 2022 total. For the month of December 2022, seasonally adjusted retail sales were $62.12 billion. This is up by 0.5% from the prior month and an increase of 7.3% compared to December 2021. Shoe stores posted the largest gains (up 20.0%) on a year-over-year basis while used car dealers (down 8.5%) posted the largest rate of decline. Retail sales are expected to post a new record high in calendar 2023 due to positive economic conditions and rising inflation.

Trade

According to Statistics Canada, the historical trade balances in Canada over the past six years are detailed on the following table. They relate to seasonally adjusted balance of payments statistics.

International Trade – Statistics Canada - Millions CDN$

	2017	2018	2019	2020	2021	2022
Exports	$549,476	$585,419	$595,349	$524,357	$636,196	$777,099
Imports	$574,120	$607,080	$613,457	$560,515	$631,329	$757,037
Trade Balance	**-$24,644**	**-$21,661**	**-$18,109**	**-$36,158**	**$4,867**	**$20,062**

Canada ran a trade surplus of approximately $20.06 billion during 2022. This is the second consecutive surplus and was primarily due to rising commodity prices. For the month of December 2022, Canada's trade deficit was approximately $159 million. Exports reached $62.97 billion (up 10.5% year-over-year) during December 2022 while imports were $63.1 billion (up 7.8% year-over-year). South Korea had the largest year-over-year increase in exports (up 78.8%) and the United Kingdom (down 24.6%) decreased the most.

Federal Budget

The Federal Liberal Government ran on a platform of balanced budgets by 2019 but have run deficits since elected in 2015. The last pre-pandemic budget (2019/2020) recorded a deficit of $19.8 billion. The COVID-19 pandemic commenced in March 2020 within Canada and the budget deficit soared. For Fiscal 2020/21, the budget deficit totaled a record $354.2 billion. According to budget documents, the federal budget deficit is currently projected at $113.8 billion for 2021/22 and $25.8 billion for 2022/23. It includes one-time and new ongoing taxes on banks and insurance companies, subsidies for green energy efforts, a basket of incentives for first time home buyers, and a broadening of the benefits for small businesses. A surplus is forecast by the Federal Liberal Government for 2027/28.

Alberta Economic Overview

Population

The population of Alberta was 4,262,635 according to the 2021 Canadian Census. This represents a 4.8% increase compared to the 2016 Canadian Census that reported a population count of 4,067,175. Population statistics for the province over the past five census periods are detailed below.

Alberta Population - Statistics Canada

	2001	2006	2011	2016	2021
Population Count	2,974,807	3,290,350	3,645,257	4,067,175	4,262,635
% Increase	10.3%	10.6%	10.8%	11.6%	4.8%

The population increase between 2016 and 2021 was the lowest in thirty years. However, the return of healthy commodity prices and rising employment has resulted in the resumption of nation-leading population growth for Alberta. Net inter-provincial migration into the province during the Third Quarter of 2022 was 19,285. This is the highest level since 1980 and was positive from every province. The only other provinces with positive net inter-provincial migration were Nova Scotia and New Brunswick. International migration climbed to record levels. A total of 33,297 international migrants moved to the province during the Third Quarter of 2022. The provincial population is now 4,601,314 according to Statistics Canada.

Economic Growth

The Alberta economy was set to grow rather strongly in 2020 until the COVID-19 pandemic shut down businesses and caused significant declines to energy prices. The following table details actual and forecasted economic growth within the Province of Alberta as reported by the Conference Board of Canada within their most recent provincial update.

Alberta Economic Growth – Conference Board of Canada

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
GDP Growth	0.1%	-7.7%	5.0%	4.7%	2.8%	2.7%

The province has benefitted significantly from high commodity prices, especially from the oil and gas sectors. GDP growth of 4.7% for Alberta in 2022 would lead the country. This has a cascading effect in regard to migration into the province, government surpluses, new business startups, and diversification. Although rising interest rates have injected doubt about the strength of the economic acceleration, most analysts consider the province to be in a good position for the start of 2023. A tight labour market, which is becoming increasingly acute in Alberta, may play a larger role than financing costs when it comes to GDP growth in the coming years.

Labour Force

The employment situation in the province turned sharply negative in 2020 due to the COVID-19 pandemic but rebounded during 2021 and 2022. The net employment change on an annual basis in Alberta over the past six years is detailed within the following table.

Alberta Labour Force Growth – Statistics Canada

	2017	2018	2019	2020	2021	2022
Net Job Gain	54,900	21,600	-4,200	-132,700	129,800	92,700

The unemployment rate in Alberta at the end of 2022 was 5.2%. That is a marked decrease from the unemployment rate of 6.8% at the end of 2021. The province gained 92,700 jobs during 2022 including an increase of 74,300 full time positions and an increase of 18,400 part time positions. There was also 36,700 fewer unemployed persons in the province last year. Alberta's labour participation rate, at 69.1%, is the highest in Canada. The unemployment rate for Alberta during January 2023 was 5.8%. This is a decrease from 7.0% as recorded in January 2022. Job growth in 2023 is expected to continue to be positive but at lower levels than the past two years due to softening energy prices and higher interest rates.

Manufacturing

Manufacturing in the province declined sharply in 2020 due to pandemic conditions but rebounded to a new record high in 2021 due to renewed economic growth and markedly higher energy prices. According to Statistics Canada, historical Alberta manufacturing shipments are detailed in the following table.

Alberta Sales of Manufactured Goods – Statistics Canada - Millions CDN$

	2017	2018	2019	2020	2021	2022
Dollar Volume	$70,949	$76,833	$76,294	$64,983	$84,758	$108,095

For the month of December 2022, the seasonally adjusted volume of manufactured goods in Alberta totaled $8.77 billion. This is a 5.8% decrease compared to the prior month and a 12.1% increase compared to December 2021. The year over year strength in manufacturing was most evident within the petroleum and wood products sectors although almost all sectors increased. Manufacturing shipments should continue to rebound through 2023 due to the post-pandemic reopening of the economy and high energy prices.

Retail Sales

Retail sales in the Province of Alberta were relatively stagnant during 2017 to 2020 but increased significantly in 2021 to a new record high due to the relaxation of economic lockdowns associated with the COVID-19 pandemic. Sales figures continued to climb into the third quarter of 2022 and growth is expected to continue through 2023. Sales statistics in the province from 2016 to 2021 are detailed below.

Alberta Retail Sales – Statistics Canada - Millions CDN$

	2017	2018	2019	2020	2021	2021
Dollar Volume	$80,318	$81,911	$81,307	$79,220	$89,400	$95,074

Retail sales during 2022 were $95.07 billion, which is a 6.3% increase compared to the prior year due. For the month of December 2022, retail sales in Alberta were $8.18 billion. This is up by 1.4% compared to the prior month with a year-over-year increase of 9.3%. As expected, gasoline stations recorded the largest increase in sales while furniture sales and building materials witnessed declines. Further increases in retail spending are expected to be reported for the months following December 2022.

Building Permits

Building permits for the Province of Alberta increased to $14.32 billion during 2021. This was the highest level of building permits in the province since 2015. Historical Alberta building permits from the past six years are detailed on the following table.

Seasonally Adjusted Alberta Building Permits – Statistics Canada - Thousands CDN$

	2017	2018	2019	2020	2021	2022
Residential Permits	$8,400,006	$7,882,051	$6,999,040	$6,788,620	$9,526,644	$10,439,250
Non-Residential Permits	$5,844,884	$5,655,631	$4,639,248	$3,845,848	$4,788,443	$4,997,874
Total Permits	**$14,244,886**	**$13,537,684**	**$11,638,288**	**$10,634,468**	**$14,315,087**	**$15,437,124**

Residential permits increased by 9.5% to $10.44 billion during 2022. Non-residential permits increased by 4.4%. Building permits in the province totaled $1.17 billion during December 2022, which is a 2.9% decrease compared to the prior month and a 1.4% decrease compared to December of 2021. Residential permits decreased by 8.3% on a year-over-year basis while non-residential permits increased by 15.4%. Increases to building permits are inevitable this year due to strong economic growth in the province.

Provincial Budget

The Government of Alberta recorded a budget surplus of $10.4 billion for the 2022/23 fiscal year. This is slightly lower than the surplus of $12.3 billion which was projected in the June 2022 update. This lower surplus is due in part to the introduction of the fuel tax holiday, lower royalties from bitumen, and additional spending over the course of the last fiscal year. The province retired over $13 billion in debt in the current fiscal period and received two credit rating increases. The debt to GDP ratio is now near 10%, which is the lowest of all provinces in Canada. The Government of Alberta projects a surplus of $2.4 billion for 2023/24, $2.0 billion for 2024/25, and $1.4 billion for 2024/25. Over the next three years, the province anticipates spending of $23 billion on capital projects, increased education spending, and increased health spending. No new taxes are anticipated.

Metropolitan Edmonton Economic Overview

Population

The subject property is located within Metropolitan Edmonton. According to the most recent Federal Canadian Census, Metro Edmonton had a population of 1,418,118 during 2021. Population statistics for the city over the past five census periods are detailed in the following table.

Metropolitan Edmonton Population - Statistics Canada

	2001	2006	2011	2016	2021
Population Count	937,840	1,034,945	1,159,869	1,321,441	1,418,118
% Increase	8.7%	10.4%	12.1%	13.9%	7.3%

The population of Edmonton increased by 7.3% from 2016 to 2021. This is higher than the national and provincial averages but is the lowest level of growth in the area since the 1990s. Growth in Metro Edmonton was higher than Calgary (up 6.4%) and Toronto (up 4.6%) but lower than Ottawa (up 8.5%) and Victoria (up 8.0%). It was equal to the five-year population growth levels in Vancouver. Edmonton is the third youngest city in Canada with a median age of 38.8. The Statistics Canada update for July 2022 pegs the population for Metropolitan Edmonton at 1,516,719.

Economic Growth

The Metropolitan Edmonton economy experienced a significant decline during 2020 due to the lockdowns associated with the COVID-19 pandemic. This drop was mostly reversed in 2021 according to the Conference Board of Canada and a new record high GDP was achieved last year. The following table details GDP growth rates for major Canadian cities from 2019 to 2021 plus the forecast for 2022 and 2023.

Municipal Economic Growth – Conference Board of Canada

	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023
Victoria	2.1%	-3.8%	5.7%	2.6%	1.8%
Vancouver	2.4%	-3.8%	4.6%	2.8%	2.2%
Edmonton	**1.8%**	**-7.4%**	**4.8%**	**4.9%**	**3.3%**
Calgary	2.7%	-7.5%	6.5%	6.3%	3.8%
Saskatoon	1.1%	-5.8%	4.4%	7.2%	3.9%
Regina	1.3%	-5.3%	3.1%	6.1%	3.3%
Winnipeg	2.3%	-4.7%	4.1%	2.7%	2.8%
Toronto	2.3%	-4.8%	4.2%	3.8%	2.1%
Ottawa	2.6%	-4.3%	4.5%	3.4%	2.0%
Montreal	3.2%	-4.8%	6.0%	3.1%	1.2%

Quebec City	2.1%	-5.4%	4.3%	2.5%	1.6%
Halifax	1.6%	-2.1%	5.5%	3.2%	2.0%

Despite the increase to interest rates, the Edmonton economy has recovered the economic losses experienced during the pandemic and is now at record high activity. Growth in the city is expected to be the second highest in the country after Calgary. GDP within the city is forecast to hit $101.41 billion during Calendar 2023.

Labour Force

There were significant job losses in Edmonton during 2020 due to pandemic conditions but these losses were more than recovered during 2021. Job gains continued at a weaker pace through 2022. According to the Labour Force Report by Statistics Canada, historical net job gains and losses across major Canadian cities during the past five calendar years are detailed in the following table.

Canadian Metropolitan Area Net Job Creation

City	2018	2019	2020	2021	2022
Victoria	-100	5,700	-6,900	7,900	6,500
Vancouver	30,100	19,400	-51,600	79,000	26,100
Edmonton	**27,500**	**-11,100**	**-51,000**	**68,400**	**8,800**
Calgary	7,900	27,500	-13,300	12,700	46,900
Saskatoon	9,200	1,700	-5,000	16,000	4,200
Winnipeg	9,400	2,900	-15,900	23,700	8,800
Toronto	21,500	152,600	-78,200	210,700	-18,200
Ottawa	9,300	62,600	-68,600	25,200	11,700
Montreal	30,200	-200	-8,400	96,000	68,700
Quebec City	-5,900	7,300	-3,700	1,300	2,000
Halifax	11,500	3,600	3,800	5,600	10,400

The unemployment rate within Metropolitan Edmonton declined to 5.8% in January 2023. This is a moderate drop from the rate of 6.7% as recorded in January 2022. Job growth within the city was exclusively full time positions. Part time jobs decreased last year. There were also 9,800 fewer unemployed persons during 2022. The labour participation rate in Edmonton was 68.4% at the end of 2022, which is a decrease over the prior twelve months and one of the highest in Canada. Job growth should be stronger in 2023 than it was in 2022 within the city. Interest rates have begun to cool the local economy but commodity prices have remained buoyant and population growth remains elevated.

Household Income

Despite the harsh economic circumstances brought forth by the COVID-19 pandemic, household income levels in Metro Edmonton increased by 2.5% during 2022 to $57,864. This makes it the second highest income per capita in the nation. According to the Conference Board of Canada's most recent metropolitan update, household income per capita in Metropolitan Edmonton and the seven other largest cities in the nation are estimated as follows.

Household Income Per Capita - Major Canadian Cities - 2022

Quebec City	Montreal	Ottawa	Toronto	Winnipeg	Calgary	Edmonton	Vancouver
$54,377	$53,646	$55,916	$55,791	$51,116	$63,742	**$57,864**	$55,196

Per capita household income in Edmonton is forecast to rise to $59,621 during 2023. However, strong economic growth, recovered energy prices, and significant capital expenditures associated with the construction of multiple green energy projects in the area could result in an even larger increase.

Building Permits

Building permits in Metropolitan Edmonton totaled $4.49 billion in 2021. This is a 7.0% increase from the prior year due to declining pandemic conditions. The following table details building permit levels in Metro Edmonton over the past six years according to Statistics Canada.

Seasonally Adjusted Edmonton Building Permits (Thousand $) – Statistics Canada

	2017	2018	2019	2020	2021	2022
Residential Permits	$3,300,200	$2,893,026	$2,276,018	$2,793,521	$3,133,859	$3,592,118
Non-Residential Permits	$1,862,355	$2,008,385	$1,575,912	$1,402,716	$1,357,632	$1,547,022
Total Permits	**$5,162,556**	**$4,901,410**	**$3,851,930**	**$4,196,237**	**$4,491,497**	**$5,139,140**

Residential housing permits increased by 14.6% during 2022 and non-residential permits increased by 14.0%. For the month of December 2022, building permits in Metro Edmonton totaled $286.7 million. This is a 23.1% decreased compared to the permit total of $373.1 million as recorded during December 2021. Building permits are expected to climb higher during 2023 as the COVID-19 pandemic fades and the economy continues to recover.

Housing Market Overview

An important indicator of the strength of the local economy is the housing market. According to the Edmonton Real Estate Board, housing activity in Metropolitan Edmonton is detailed as follows.

Single Family Housing Statistics - Metropolitan Edmonton

	Dec 2019	Dec 2020	Dec 2021	Dec 2022
Single Family Average Price	$411,469	$429,014	$462,116	$457,371
Total Monthly New SF Listings	695	659	696	644
Total Monthly SF Sales	537	678	788	537
SF Sales to New Listing Ratio	77%	103%	113%	83%
SF Average Days on Market	64	53	46	52

The best metric for forecasting house price movement is the sales to listing ratio (demand vs. supply). That ratio has strengthened considerably over the past four years due to recovering economic conditions and pricing has increased markedly. Only recently has it reversed due to the impact of interest rate increases. The condominium market also appears to be weakening. The sales to new listing ratio for this housing form was 81% during December 2022 compared to 65% during December 2021 and 60% during December 2020. The average condominium price in Metropolitan Edmonton was $207,114 during December 2022 compared to $217,059 during December 2021 and $217,389 during December 2020.

St. Albert Economic Overview

Location

The City of St. Albert is located within the Sturgeon River Valley and covers an area of 48.3 square kilometers. St. Albert is located adjacent to the northwest of the City of Edmonton with access routes from 142nd Street NW, 156th Street NW, 170th Street NW, 184th Street NW, and Mark Messier Trail NW. Downtown Edmonton is approximately a 20-minute drive from St. Albert with convenient access to the Northern Alberta Institute of Technology and the University of Alberta via the Yellowhead Trail NW and Groat Road NW respectively.

Population

The most recent population estimate for the City of St. Albert (2021 Canadian Census) is 68,232 persons. This represents a five-year increase of approximately 4.0% over the 2016 Canadian Census count of 65,589. According to this most recent census, based upon a city area of 47.84 kilometers, St. Albert has a population density of 1,426 people per square kilometer. The census also reports that there are 25,938 private dwellings within the community, which is up from 24,446 as recorded in 2016.

Building Permits

Building permits in St. Albert have witnessed considerable fluctuations over the past twenty years. The following table details building permits in the community during the past five calendar periods.

City of St. Albert Building Permits

	2018	2019	2020	2021	2022
Residential	$111,301,413	$99,106,538	$96,905,567	$170,376,232	$156,628,574
Commercial	$26,539,925	$38,436,800	$11,984,397	$42,627,390	$27,840,786
Industrial	$12,235,500	$2,169,500	$44,079,000	$14,156,000	$41,442,138
Institutional	$1,996,700	$3,541,989	$48,354,673	$1,941,000	$25,907,362
Total Value	**$152,073,538**	**$143,254,827**	**$201,323,658**	**$229,100,622**	**$251,818,860**
Housing Starts	**286**	**401**	**242**	**522**	**557**

The total value of building permits recorded in St. Albert in 2022 was $251,818,860. This represents a 9.9% increase compared to 2021. Residential and industrial building permits were particularly strong. Due to the resolution of the COVID-19 pandemic and a healthy provincial economy, development permits are expected to remain strong through 2023.

Housing Market

According to the Edmonton Real Estate Board, average single-family residential sales prices within St. Albert for the past three calendar periods are detailed as follows.

Average Single Family House Price - St. Albert

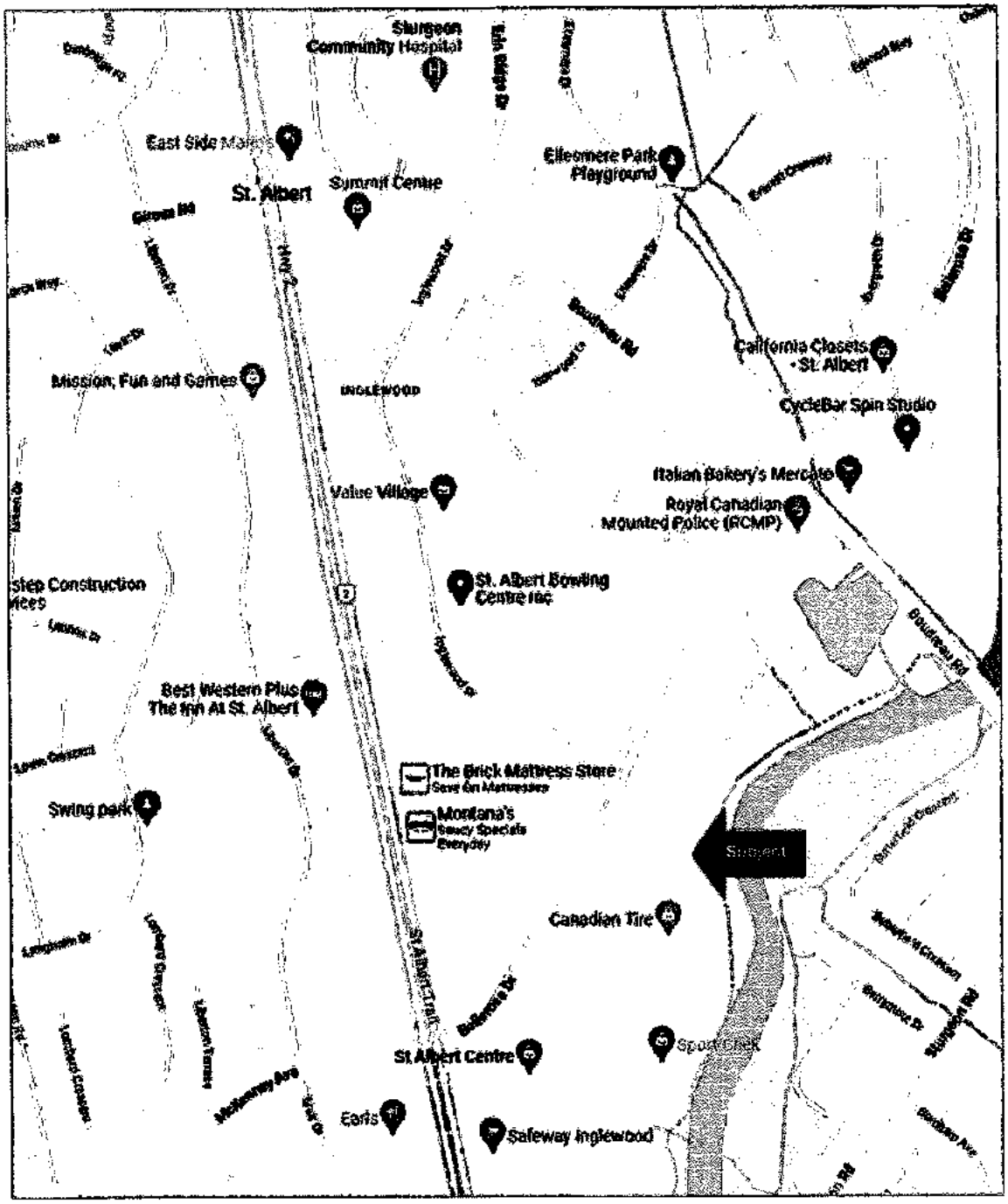
Year	2020	2021	2022
Average Price	$471,970	$498,097	$540,890

The average house price recorded during 2022 was $540,890, which is an impressive 8.6% increase compared to the average house price the prior year. The median house price of $502,000 in 2022 is 10.5% higher than the median house price in 2021. There were 911 single-family sales in St. Albert in 2022, which is slightly lower than the 1,038 sales in 2021 but higher than the 765 sales in 2020. Condominium prices decreased slightly to an average of $273,306 in 2022 compared to an average of $286,079 in 2021. They are still higher than the average price of $254,052 as recorded in 2020.

Neighbourhood Overview

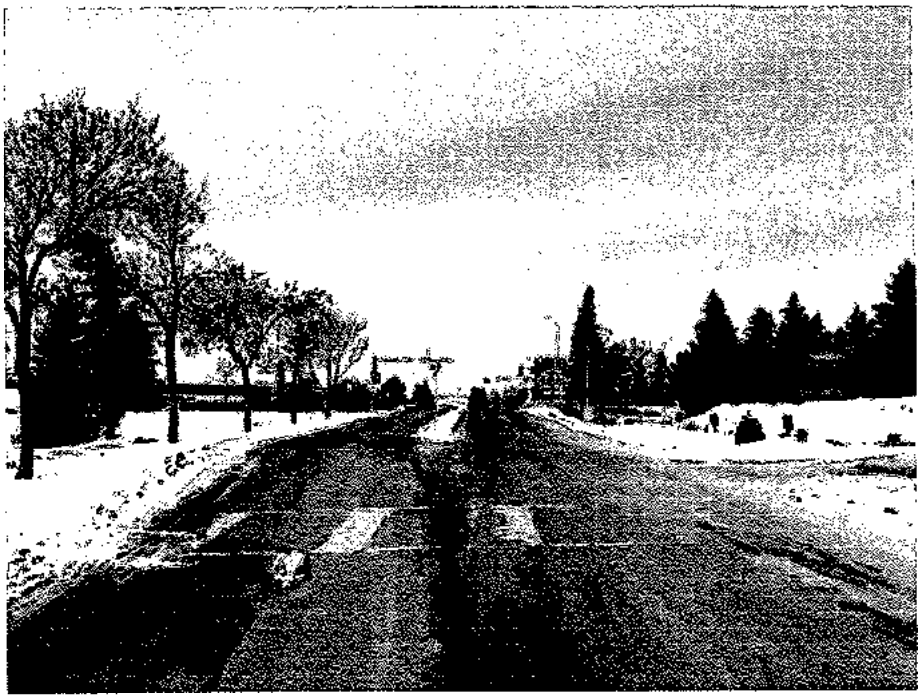
The subject property is located within the Inglewood neighbourhood of Central St. Albert. Inglewood is a triangle-shaped area situated to the east of St. Albert Road, to the north of the Sturgeon River, and to the south and west of Boudreau Road. Inglewood is a mixed-use neighbourhood that contains commercial

uses along its western and southern perimeters, former industrial uses within its interior, and residential uses along its eastern and northern perimeters. It was established in 1978 and currently has a population of approximately 1,535. Residential uses primarily relate to single family residences but also includes some row-housing and mid-rise projects. Prominent commercial users in the neighbourhood include Pearle Vision, the UPS Store, Mr. Sub, Dollarama, Crown and Tower Pub, Grandin Bakery, Reitman's, Asian Connection, Orange Fitness, Starbucks, Famoso, RBC Royal Bank, Liquor Depot, Chapters, Staples, Montana's, TD Bank, and Safeway. A Canadian Tire and St. Albert Mall (anchored by The Bay, Winners, London Drugs, and Sport Chek) is located across Inglewood Drive to the south of the subject property. Greenspace within the neighbourhood is primarily along the river and within Ironwood Park. Due to its picturesque location along the Sturgeon River near to mass transit and prominent commercial uses, Inglewood is well-suited for a seniors residence like Careadon Village.

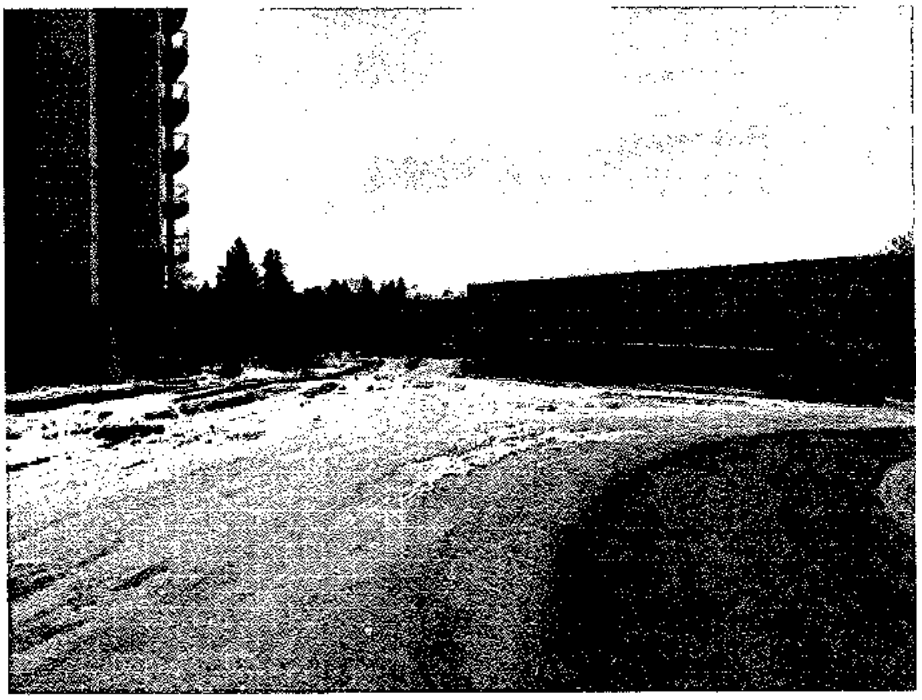


Neighbourhood Map

NEIGHBOURHOOD PHOTOGRAPHS



View West along Inglewood Drive



View East along Inglewood Drive

Canadian Seniors Housing Market Overview

Introduction

Similar to almost every other developed country, the population of Canada has been aging over the past twenty years. As the baby boomer generation advances into their senior years, this effect has become more pronounced. This situation has caused both problems and opportunities for real estate markets in Canada. For seniors residence developers and operators, increasing demand for their product has resulted in increasing supply levels. Lifestyle changes away from family-living and increasing societal wealth has further bolstered the asset class. This trend will continue for the next twenty years.

Seniors housing is a real estate asset that provides both accommodation for its residents as well as a varying level of services and programs. Although they are described in different ways by different groups, there are five basic categories that are recognized within Canada. In order from lowest level of service to highest, they are described as follows.

- ***Seniors Apartments (SA)***. This category relates to a seniors residence with nil to minimal common services and amenities. They typically have the appearance of conventional apartment-style accommodation. Some services may be provided at an additional cost but these residences require little assistance with daily chores and lifestyle management. They are not typically subsidized by the government and are typically for residents younger than 75.
- ***Independent Living (IL)***. This category relates to a seniors homes with some minor services provided including transportation, sporadic laundry services, one or more meals per day, and some basic care. They typically provide emergency services, 24-hour supervision, and planned events for residents. They may provide some minimal assistance with daily living needs (ADL) including dressing, medication management, eating, bathing, etc.
- ***Assisted Living (AL)***. Also referred to as supportive living (SL). This category would include shelter, programs, transportation, regular laundry services, three meals per day, and assistance with daily living (ADL) activities. They generally provide care for older residents (usually 80+) who would normally have trouble with day-to-day personal upkeep.
- ***Memory Care (MC)***. This category includes all of those services as provided by supportive living. However, memory care residents have Dementia or Alzheimer issues that require significant additional staffing and support. Security needs for this type of accommodation are usually the most stringent.
- ***Long-Term Care (LTC)***. This category relates to seniors homes with hospital quality services. Residents are usually dealing with serious medical issues including terminal disease. They require full time nurse and specialist support. Such facilities usually receive a high level of government funding and support.

All of the above categories may or may not involve government subsidies with construction and/or operation. Many seniors homes have a variety of care levels available under one roof. For example, Continuing Care Retirement Communities offer the full range of accommodation from independent living to long-term care.

Senior Population

The population of Canada has been steadily ageing over the past twenty years. The following table details the average age and number of seniors in the country over the past five Canadian Census periods (2001 to 2021).

Canadian Senior Population - Statistics Canada

Age Category	2001	2006	2011	2016	2021
Population 65+	3,888,550	4,335,250	4,945,065	5,935,630	7,021,430
% of Total Population	13.0%	13.7%	14.8%	16.9%	19.0%
Population 85+	415,910	520,605	645,515	770,780	861,395
% of Total Population	1.4%	1.6%	1.9%	2.2%	2.3%
Median Age	37.6	39.5	40.6	41.2	41.6

Over the past twenty years, the number of persons over the age of 65 has increased by 81% while the number of persons over 85 has increased by 107%. This trend is expected to continue for the near-term future which will help fuel demand for senior residences throughout the country.

Inventory of Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report, there were 2,872 seniors residences in Canada as of 2021. The 2022 report has not yet been issued as of the writing of this appraisal. The provincial breakdown of this inventory from this CMHC report is detailed on the following table.

Seniors Housing Inventory in Canada

Province	Residences	Units
Atlantic Canada	190	10,599
Quebec	1,181	130,935
Ontario	749	67,399
Manitoba	52	5,080
Saskatchewan	190	8,323
Alberta	140	16,523
British Columbia	370	33,320
Canada	**2,872**	**272,179**

The 2021 inventory of 2,872 seniors residences is a minor decrease compared to the 2,880 seniors residences counted within the 2020 housing report. There were 272,179 seniors residence units within these facilities, which is a 3.8% increase compared to the 262,338 units registered in the 2020 housing report. This implies that older smaller homes are being closed while larger/modern facilities are being opened. The annual supply change in seniors residences over the past seven years according to CMHC, on a percentage basis, are detailed below.

Seniors Residence Unit Supply Change in Canada

Year	2015	2016	2017	2018	2019	2020	2021
Supply Change	2.4%	3.6%	1.9%	4.6%	2.9%	2.6%	3.8%

Further increases to the inventory of Canadian seniors residence units are highly likely in the near-term future due to demographic pressures.

Demand for Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report, there were 253,340 residents in Canadian seniors housing as of July 2021. The provincial breakdown of these residents, as well as the applicable capture rates, are detailed on the following table.

Seniors Housing Demand in Canada

Province	Population 75+	Residents	Capture Rate
Atlantic Canada	220,200	9,610	4.4%
Quebec	753,983	127,897	17.0%
Ontario	1,161,189	57,910	5.0%
Manitoba	95,911	5,105	5.3%
Saskatchewan	83,700	7,154	8.5%
Alberta	255,800	13,651	5.3%
British Columbia	422,900	32,013	7.6%
Canada	**2,993,683**	**253,340**	**8.5%**

Canada had a total of 253,340 residents within seniors homes during 2021. This is a 4.4% decrease compared to the 265,178 residents recorded during 2020. The annual demand change in seniors residences over the past seven years according to CMHC, on a percentage basis, are detailed on the following table.

Seniors Residence Demand Change in Canada

Year	2015	2016	2017	2018	2019	2020	2021
Demand Change	2.9%	4.5%	2.3%	4.6%	2.4%	3.0%	-4.4%

Although the COVID-19 caused short-term instability to seniors homes, resident population levels are increasing as of the writing of this report due to the aging of the nation and cultural changes that make this option increasingly acceptable.

Seniors Residence Vacancy Levels

Demand for seniors housing outpaced supply during the first half of the last decade. This trend reversed in 2017 and spiked significantly lower during the COVID-19 pandemic. National vacancy levels for seniors residences over the past seven years are detailed on the following table. These statistics are sourced from the CMHC Seniors Housing Report.

Seniors Residence Vacancy Levels in Canada

Year	2015	2016	2017	2018	2019	2020	2021
Vacancy Rate	8.9%	8.2%	7.6%	8.2%	8.3%	8.6%	15.5%

Vacancy levels were dramatically impacted by the COVID-19 pandemic but are now resolving due to the passing of this situation. Increasing government support is also a factor. Vacancy rates will therefore most likely return to normalized levels in the near-term future.

Seniors Residence Rental Rates

CMHC also tracks rental rates for seniors homes and further breaks these records down in regards to the type of residence, age of the structure, level of care, etc. The following table details rental rates for seniors residences on a province by province basis as tracked within the CMHC Seniors Housing Report.

Seniors Housing Average Rental Rates in Canada - 2021

Province	Bachelors	One Bedrooms	Two Bedrooms+
Atlantic Canada	$2,925	$2,928	$3,710
Quebec	$1,523	$1,881	$2,474
Ontario	$3,349	$4,642	$5,829
Manitoba	$2,180	$2,801	$3,200
Saskatchewan	$2,899	$3,188	$4,010

Alberta	$2,768	$3,396	$4,282
British Columbia	$2,778	$3,529	$4,728

Rental rates in seniors residences should continue to outpace inflation as government subsidies proliferate and the quality of care increases over the medium-term future.

Alberta Seniors Housing Market Overview

Introduction

The median age within Alberta is younger than the median age of Canada. Nevertheless, an increasing and aging population within the province will bolster demand for seniors housing in the medium term future and developers will most likely increase the supply of such facilities.

Senior Population

The population of Alberta has aged more slowly than the country overall. The following table details the average age and number of seniors in the Alberta over the past five census periods (2001 to 2021).

Alberta Senior Population - Statistics Canada

	2001	2006	2011	2016	2021
Population 65+	309,380	352,067	320,725	500,215	629,220
% of Total Population	10.4%	10.7%	8.8%	12.3%	14.8%
Population 85+	32,860	42,290	51,485	63,385	72,375
% of Total Population	1.1%	1.3%	1.4%	1.6%	1.7%
Median Age	35.0	36.0	36.5	36.7	38.4

Over the past twenty years, the number of persons over the age of 65 has increased by 103%. While the number of persons over 85 from 2001 to 2021 has increased by 120%. The growth rate for number of persons over the age of 65 over the last twenty years is higher than that of the national trend. The population within the province will continue to age and therefore demand for seniors housing will continue to increase.

Inventory of Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report, there were 140 seniors facilities in the Province of Alberta as of 2021. The regional breakdown of this inventory from this CMHC report is detailed on the following table.

Seniors Housing Inventory in Alberta

Province	Residences	Units
Calgary CMA	42	5,809
Edmonton CMA	46	6,158
Rest of Alberta	52	4,556
Alberta	140	16,523

The 2021 inventory of 140 seniors residences is a minor increase compared to the 129 seniors residences counted within the 2020 housing report. There were 16,523 seniors residence units within these facilities, which is an 11.3% increase compared to the 14,852 units registered in the 2020 housing report. This implies that older/smaller facilities are being closed while larger/modern properties are being opened. According to CMHC, the annual percentage supply change of seniors units over the past seven years is detailed in the following table.

Seniors Residence Unit Supply Change in Alberta

Year	2015	2016	2017	2018	2019	2020	2021
Supply Change	6.5%	9.6%	3.4%	8.2%	4.3%	4.2%	11.3%

High interest rates and high vacancy levels will discourage developers in the short-term future from constructing additional seniors homes. However, further increases to the inventory of seniors residences in the medium-term future is highly likely due to demographic pressures and lifestyle choices.

Demand for Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report, there were 13,651 residents in Albertan seniors housing as of July 2021. The provincial breakdown of these residents, as well as the applicable capture rates, are detailed on the following table (regional data unavailable).

Seniors Housing Demand in Alberta

Province	Population 75+	Residents	Capture Rate
Calgary CMA	N/A	4,846	N/A
Edmonton CMA	N/A	4,987	N/A
Rest of Alberta	N/A	3,818	N/A
Alberta	**255,800**	**13,651**	**5.3%**

Alberta had a total of 13,651 residents within seniors homes during 2021. This is a 2.8% decrease compared to the 14,040 residents recorded during 2020. Demand changes to seniors residence over the past seven years, according to CMHC, are detailed below.

Seniors Residence Demand Change in Alberta

Year	2015	2016	2017	2018	2019	2020	2021
Demand Change	6.1%	8.4%	4.4%	4.0%	4.0%	3.4%	-2.8%

Elevated rates of mortality and fear of living conditions within seniors homes during the COVID-19 pandemic caused a downturn in demand during 2021. This is undoubtedly a temporary situation that is resolving itself as of the writing. Demand will be positive once the 2022 data is released later this year and should increase further during 2023 and 2024.

Seniors Residence Vacancy Levels

Demand for seniors housing outpaced supply during the first half of the last decade. This trend reversed in 2017 and gaped significantly wider in 2021 due to the COVID-19 pandemic. Provincial vacancy levels for the province over the past eight years are detailed on the following table. These statistics are sourced from the CMHC Seniors Housing Report, which is the most recent edition as of the writing of this appraisal.

Seniors Residence Vacancy Levels in Alberta

Year	2015	2016	2017	2018	2019	2020	2021
Vacancy Rate	8.1%	9.1%	10.5%	15.4%	13.8%	15.1%	26.8%

Vacancy levels should remain elevated during 2022 as the pandemic conditions unwound. However, an aging and growing Alberta population, coupled with reduced levels of new construction, should result in declines to the vacancy rate in the current year and the near-term future.

Seniors Residence Rental Rates

CMHC also tracks rental rates for seniors homes and further breaks these records down in regards to the type of residence, age of the structure, level of care, etc. The following table details rental rates for seniors residences (standard space) within the province as tracked within the CMHC Seniors Housing Report.

Seniors Housing Average Rental Rates in Alberta - 2021

Province	Bachelors	One Bedrooms	Two Bedrooms+
Alberta	$2,768	$3,396	$4,282

The average rental rate for a standard space was $3,404 per month. This is a 4.1% increase compared to the average of $3,270 during the prior year despite a sharp spike in the vacancy rate. Although bachelor unit rents declined by 2.6%, one bedroom rents increased by 5.3% and two bedrooms increased by 5.6%. Rental rates in seniors residences should continue to outpace inflation as government subsidies proliferate and the quality of resident care increases over the medium-term future.

Edmonton Seniors Housing Market Overview

Introduction

The median age within the City of Edmonton is younger than the median age of Canada or Alberta. The COVID-19 pandemic caused significant negative effects for seniors residences in the city and these troubles have not fully resolved as of the writing of this appraisal. However, normalcy is returning and market conditions should be relatively stable by the end of this year (2023).

Senior Population

The population of Edmonton has aged relatively slowly compared to other cities in Canada. The following table details the average age and number of seniors within the City of Edmonton over the past five census periods (2001 to 2021).

Edmonton Senior Population - Statistics Canada

	2001	2006	2011	2016	2021
Population 65+	77,800	86,705	94,660	112,400	138,460
% of Total Population	11.7%	11.8%	11.7%	12.1%	13.7%
Population 85+	8,315	10,620	13,320	10,225	17,865
% of Total Population	1.2%	1.5%	1.6%	1.1%	1.8%
Median Age	35.3	36.1	36.0	35.7	36.8

For the period between 2001 and 2021, the number of persons over the age of 65 has increased by 78% while the number of persons over 85 has increased by 115%. The growth rate for number of persons over the age of 65 over the last twenty years is lower than that of the provincial trend. These rates of increase will accelerate as the population of the metro area continues to age.

Inventory of Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report, there were 46 seniors residences in Edmonton as of 2021. This represents an increase of three residences compared to the

inventory counted in the 2020 CMHC report. There were 6,158 seniors residence units within these 46 facilities, which is an 8.6% increase compared to the 5,670 units registered in the 2020 report.

Demand for Seniors Housing

According to information provided by the 2021 CMHC Senior's Housing Report (the most recent edition available), there were 4,987 residents in Edmonton seniors housing as of July 2021. This is a 9.7% decrease compared to the 5,522 residents recorded during 2020. This decrease was due to the COVID-19 pandemic, which increased the mortality rate of Edmonton seniors and also discouraged seniors from residing in seniors residences. Again, the passing of the pandemic and greater government funding should help to improve demand levels for seniors housing in the Edmonton area.

Seniors Residence Vacancy Levels

Demand for seniors housing in Metro Edmonton was strong during the first half of the last decade and supply changes were muted. This shifted in the last part of the decade and new supply handily outpaced new demand. The negative implications of the COVID-19 pandemic obviously exacerbated the situation in 2021 and a record high vacancy rate was realized. Historical vacancy levels for the City of Edmonton over the past seven years are detailed on the following table.

Seniors Residence Vacancy Levels in Edmonton

Year	2015	2016	2017	2018	2019	2020	2021
Vacancy Rate	6.3%	4.2%	5.6%	9.1%	9.7%	12.6%	27.6%

The vacancy rate of 27.6% is a sharp increase compared to the rate of 12.6% during 2020. It is higher than the Calgary vacancy rate of 25.3% and slightly lower than the remainder of the province vacancy rate of 25.3%. The vacancy rate is expected to have declined modestly during 2022 and should decline more precipitously in the current year. This will be aided by both demand (population growth, aging) and supply (high interest rates, inflation) factors.

Seniors Residence Rental Rates

CMHC also tracks rental rates for seniors homes and further breaks these records down in regards to the type of residence, age of the structure, level of care, etc. The following table details rental rates for seniors residences within the City of Edmonton as tracked within the CMHC Seniors Housing Report.

Seniors Housing Average Rental Rates in Edmonton - 2021

Province	Bachelors	One Bedrooms	Two Bedrooms+
Alberta	$2,377	$3,023	$3,670

The average rent for a seniors unit in the City of Edmonton was $3,047 during 2021. Data for 2022 is not yet available as of the writing of this appraisal. This is a 5.7% increase compared to the prior year and a greater increase than the overall provincial average. Bachelor unit rents decreased by 6.6% but one bedrooms climbed by 10.0% and two bedrooms increased by 3.1%. Further increases for all unit types are expected in the near-term future.

Valuation

Highest and Best Use

The principle of Highest and Best Use is fundamental to the concept of value in real estate. Highest and Best Use, in general, is defined as follows.

> "The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

The Highest and Best Use for properties already improved is usually set by those improvements. For all properties (improved or unimproved), the Highest and Best Use is also determined for the land as if vacant. Highest and best use of a site as though *vacant* is defined as follows.

> "Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and co-ordination. The use of a property based on the assumption that the parcel of land is vacant or can be vacant by demolishing any improvements."

The definition of the Highest and Best Use for properties *already improved* is as follows.

> "The use that should be made of a property as it exists. An existing property should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building[s] and constructing a new one."
> *(Source: The Dictionary Of Real Estate Appraisal, Third Edition, Copyright 1993, p 171)*

Existing Use of the Subject Property

Canadian Uniform Standards of Professional Appraisal Practice requires an appraisal to state the existing use of the subject property. The existing use of Careadon Village as of the Effective Date of this appraisal is a seniors residence.

Highest and Best Use as Vacant

The legal permissibility, physical possibility, financial feasibility, and maximum profitability must be analyzed for the subject property as if it was vacant. These items are analyzed as follows.

Legal Permissibility

The existing land use designation and planning documents from the City of St. Albert have designated high density residential uses for the subject site. No unusual private restrictions are known to encumber the property.

Physical Possibility

The site is fully serviced and could be developed immediately were it to be vacant. It is of a size and configuration that would allow for a variety of higher density projects. It is in close proximity to a variety of compatible commercial, institutional, and transit amenities.

Financial Feasibility

Residential uses at the subject site would provide a positive return to a developer. Commercial uses may also be allowed pending land use changes but would have limited financial feasibility at this location. Institutional uses are in narrow demand within St. Albert at the current time. Industrial uses would not be possible due to its land use designation and the quality/type of adjacent properties.

Maximum Productivity

A high density residential project would provide the highest return to a potential developer compared to other possible uses. A residential developer would therefore be able to pay the highest price for the vacant property compared to other types of developers.

Conclusion As Vacant

The Highest and Best Use of the property as vacant is therefore judged to be a holding property for high density residential development.

Highest and Best Use as Improved

The Highest and Best Use of a property as improved is the use that will generate the highest sale price if offered on the open market. This is usually its value as currently improved but could be its value as vacant if the value of the site exceeds its value as improved. The legal permissibility, physical possibility, financial feasibility, and maximum profitability for Careadon Village as currently developed are analyzed as follows.

Legal Permissibility

Careadon Village is a discretionary and legally conforming use according to R4 land use bylaws. It is assumed to have all relevant development/occupancy permits for its use as a seniors residence. It does not appear to be in conflict with any private restrictions.

Physical Possibility

Careadon Village was in excellent condition as of the Effective Date of this appraisal. It is fully serviced and has a significant amount of remaining economic life. It is highly functional for seniors residence occupancy and a very strong competitor in St. Albert.

Financial Feasibility

Careadon Village will generate a significant return to its development company. There is a growing demand for seniors housing in Metropolitan Edmonton despite the temporary spike in vacancy levels. The property provides modern and desirable amenities for seniors seeking an independent living facility.

Maximum Productivity

The subject improvements produce a return to its ownership group that is higher than retrofit to an alternate use or demolition of the improvements and construction of an alternate use. It is therefore unlikely that a purchaser would change the use of the subject property from its existing use as a seniors residence.

Conclusion As Improved

The Highest and Best Use of the property as improved is therefore judged to be the seniors residence as currently developed.

Highest and Best Use Conclusion

In consideration of the foregoing discussion, the Highest and Best Use of Careadon Village is the seniors residence as currently developed. It will therefore be appraised on this basis.

Valuation Methodology

Methodology

There are three general categories for appraising real estate in Canada.

- Income Approach
- Direct Comparison Approach
- Cost Approach

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration.

The **Income Approach** recognizes that the primary purchase criterion for many market participants is the property's ability to generate income. In this approach, the potential income the property is capable of generating is analyzed and then converted into an expression of market value. There are two main Income Approaches used by market participants.

- The Income Approach via ***Overall Income Capitalization*** method is based upon the conversion of current earnings directly into an expression of market value in the same way that stocks are valued through the use of a price-to-earnings multiplier. In this method, stabilized net operating income for the forthcoming year is capitalized by an overall capitalization rate that represents the return required by a typical investor as witnessed by sales and listings of similar properties.

- The Income Approach via ***Discounted Cash Flow Analysis*** involves forecasting future earnings for a prescribed time period and then discounting these annual amounts and the reversionary value of the asset to arrive at an expression of present value. This technique is predicated upon a number of assumptions with respect to resident occupancy, fluctuations in operating expenses, inflation, etc., and is thus more speculative than the traditional Overall Income Capitalization method. It is most useful when accounting for significant tenancy changes and/or contractual income variations.

The **Direct Comparison Approach** examines the cost of acquiring an equally desirable and valuable substitute property as evidenced by transactions of comparable properties within the market area. Most commonly, a unit of comparison (i.e. price per square foot, price per suite, etc.) is utilized to facilitate the analysis.

The **Cost Approach** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can purchase a site with similar locational qualities and construct a building of equal desirability and utility. Various depreciation factors must be assessed for the appraisal of existing buildings.

Selection of Relevant Methodology

All valuation techniques (Income Approach, Direct Comparison Approach, and Cost Approach) that are pertinent under "reasonable appraiser" standards must be included within an appraisal. According to the Canadian Uniform Standards of Professional Appraisal Practice, if "reasonable appraisers conclude that there is no rational foundation for an analysis or opinion, then such analysis or opinion would not be justified".

Income Approach

The majority of seniors residences in Canada are purchased by corporate entities (profit or non-profit) that are most interested in the income-generating potential that the property has as opposed to its specific physical and locational qualities or cost to construct. This type of purchaser would therefore formulate offer prices based upon the Income Approach rather than the Direct Comparison Approach or Cost Approach, suggesting that this is the most credible method of analysis. The Overall Income Capitalization technique is the predominant Income Approach used for properties like the subject. However, since a minor number of purchasers would also attempt to quantify the value of the property by analyzing its longer-term performance, a Discounted Cash Flow Analysis has also been included.

Direct Comparison Approach

The Direct Comparison Approach, which values physical units of comparison, is sometimes referenced as a secondary measure of value for seniors residences. It is common practice for seniors residence vendors, purchasers, and consultants to speak of values based upon a price per unit and many decisions are based in part upon this standard of measure. It will therefore be utilized as a supporting method in the valuation of Careadon Village.

Cost Approach

The Cost Approach is not a typical basis of valuation for seniors residences. Vendors and purchasers of such real estate are most concerned with its income generating potential, not with depreciated replacement cost, in order to determine sale prices. This is true even with newly constructed properties. The inapplicability of the Cost Approach is further exacerbated by the difficulties in estimating such items as functional obsolescence, economic depreciation, and developer's profit. All of these factors can have a major effect on value but cannot be accurately estimated by quantitative measures. As such, it would be a significant error to provide any market value weighting to the Cost Approach within the Reconciliation of this report. Any "reasonable appraiser" should therefore omit this valuation technique from an appraisal of a seniors residence.

Conclusion

In conclusion, the Income Approach via Overall Income Capitalization, the Income Approach via Discounted Cash Flow Analysis, and the Direct Comparison Approach are judged to be valid appraisal techniques and will be employed within this appraisal for the subject property. The Cost Approach, due to its irrelevance to seniors residence investment market behaviour, has been omitted within this report.

Income Approach - Revenue and Expense Analysis

Methodology

In estimating the market value of a property by the Income Approach, the main criteria for the measurement of value is the property's ability to generate income. In employing this technique, an analysis of the potential income and the probable expenses associated with maintaining this income stream is undertaken in order to estimate the net operating income the property is capable of producing. The net operating income is then converted into an expression of market value through the application of an appropriate technique. In this regard, the most commonly utilized method for valuing seniors residences like Careadon Village is the *Overall Income Capitalization* technique.

Information Accuracy

The analysis set out in this report was based on written and verbal financial information obtained from the property owner and considered reliable. This information was not verified by any internal or external process aside from the proofreading and approval of this appraisal by the client of this report. It is therefore a vital assumption that this appraisal accurately represents the financial potential of the property. Should these details be incorrect due to fraud or negligence, then this report would be voided. The appraiser does not certify, in any manner whatsoever, the accuracy of the financial details as supplied by the owner. Any party relying upon this report must therefore confirm to their satisfaction the accuracy of the historical data for the property as discussed herein.

Property Revenue

Potential revenue sources at Careadon Village are detailed below. Since the property is not yet functional and sparsely occupied, it was necessary to forecast revenue based on market evidence. Readers should be aware that this appraisal is in regards to the property as operating at stabilized levels (see Extraordinary Assumptions). Should it be sold on an "as is" basis, its value would be markedly lower than as estimated herein.

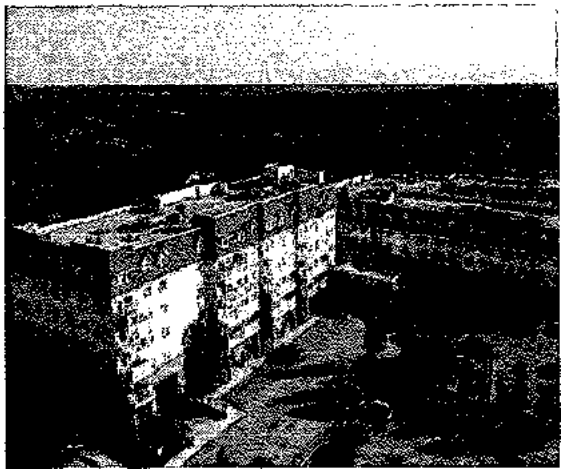
Resident Fees

Careadon Village contains 164 units including 11 one-bedroom units, 38 one-bedroom plus den units, 108 two-bedroom units, and 7 two-bedroom plus den units. In order to determine appropriate market rents for the units, it was necessary to survey seniors residences with equivalent levels of quality, care, and location. A summary of this survey is displayed below. Facilities with assisted living services have been reduced by their service costs to provide an independent living equivalent rate.

Name:	Glenora Park (Revera)
Address:	10150 Clifton Place NW, Edmonton
Building:	Concrete high rise built in 2022
Care Level:	Independent and Assisted Living
One-Bed Rents:	$3,113 to $3,731 per month for IL
One-Bed $/SF:	$5.22 to $5.59 per square foot
Two-Bed Rents:	$3,804 to $4,028 per month for IL
Two-Bed $/SF:	$4.57 to $4.95 per square foot
Comments:	Continuing care facility. Wide range of amenities. Kitchens. In-suite laundry.

Name:	River Ridge (Revera)
Address:	78 McKenney Avenue, St. Albert
Building:	Wood frame low rise built in 2006
Care Level:	Assisted Living and Memory Care
One-Bed Rents:	$2,235 to $2,970 per month for IL
One-Bed $/SF:	$4.95 to $6.11 per square foot
Two-Bed Rents:	$3,510 to $3,725 per month for IL
Two-Bed $/SF:	$5.43 to $5.58 per square foot
Comments:	Variety of care offered. Similar location as the subject. Inferior building quality.

Name:	Wescott (Chartwell)
Address:	3841 Allan Drive SW, Edmonton
Building:	Wood frame low rise built in 2019
Care Level:	Independent and Assisted Living
One-Bed Rents:	$2,405 to $2,745 per month for IL
One-Bed $/SF:	$4.46 to $4.95 per square foot
Two-Bed Rents:	$3,565 to $3,905 per month for IL
Two-Bed $/SF:	$4.28 to $4.37 per square foot
Comments:	Smaller scale amenities. Affluent area in SW Edmonton. Surface parking.



Name:	Chartwell St. Albert (Chartwell)
Address:	18/20 Hebert Road, St. Albert
Building:	Concrete mid-rise built in 2009
Care Level:	Independent and Assisted Living
One-Bed Rents:	$1,850 to $2,050 per month for IL
One-Bed $/SF:	$2.52 to $2.58 per square foot
Two-Bed Rents:	$2,450 to $2,700 per month for IL
Two-Bed $/SF:	$2.50 to $2.53 per square foot
Comments:	Full range of common areas. Larger units. Underground parking.

Name:	McConachie Gardens (Revera)
Address:	6503 - 170 Avenue NW, Edmonton
Building:	Wood frame low rise built in 2019
Care Level:	Independent and Assisted Living
One-Bed Rents:	$2,990 to $3,295 per month for IL
One-Bed $/SF:	$5.27 to $5.72 per square foot
Two-Bed Rents:	$3,640 to $3,890 per month for IL
Two-Bed $/SF:	$4.65 to $4.97 per square foot
Comments:	Recently constructed. Range of care options. Smaller unit sizes.

Name:	Ironwood Estates (Atria)
Address:	40 Ironwood Point, St. Albert
Building:	Wood frame low rise built in 1997
Care Level:	Independent Living
One-Bed Rents:	$2,925 to $3,525 per month for IL
One-Bed $/SF:	$4.40 to $5.75 per square foot
Two-Bed Rents:	$4,050 to $4,350 per month for IL
Two-Bed $/SF:	$4.24 to $4.28 per square foot
Comments:	Located to the north of the subject. Conventional design and typical areas.

Resident fees vary depending on the level of care and the additional services provided to its occupants. As detailed in the survey, independent living units (or assisted living units discounted for non-ordered services) vary between $2.50 and $6.00 per square foot per month. In regards to Careadon Village, the following points are worthy of note in determining appropriate unit values.

- The property is brand new and in excellent condition.
- Above-average level of common area amenities for an independent living facility.
- Large unit sizes, which is deflationary to unit values.
- Parking and on-site dining/recreation options in addition.
- Power paid by residents.

In consideration of these details, the following average unit values have been applied to the units in Careadon Village.

- One bedroom suits (average 783 square feet): average rent of $3.90 per square foot.
- One bedroom + den suites (average 898 square feet): average rent of $3.70 per square foot.
- Two bedroom suites (average 1,080 square feet): average rent of $3.45 per square foot.
- Two bedroom + den suites (average 1,173 square feet): average rent of $3.35 per square foot.

These averages result in monthly resident fees for Careadon Village as detailed in the following table.

Resident Fees - Careadon Village

Unit Type	Units	Average Size	Rental Rate	Monthly Rent
One Bedroom Suites	11	783 SF	$3.90/SF	$33,591
One Bedroom + Den Suites	38	898 SF	$3.70/SF	$126,259
Two Bedroom Suites	108	1,080 SF	$3.45/SF	$402,408
Two Bedroom + Den Suites	7	1,173 SF	$3.35/SF	$27,507
Totals	**164**	**1,022 SF**	**$3.52/SF**	**$589,765**

Total potential resident fees are therefore included within this analysis at $589,765 per month or $7,077,180 per annum.

Vacancy and Collection Loss Allowance

Prudent purchasers analyzing investment properties tend to recognize the potential loss of income through periodic vacancies over the anticipated holding period of the asset rather than at a discrete point in time, and a contingency is generally set aside to reflect this potential. It is noted that Careadon Village was almost entirely vacant as of the writing of this appraisal and that the 2021 city-wide vacancy was 27.6% (2022 not yet available. It would be acknowledged by market participants that this record high vacancy level is

primarily due to the COVID-19 pandemic and that the pandemic has now passed. A more conventional vacancy allowance is thus warranted within this report.

Seniors residence vacancy levels in Metropolitan Edmonton varied between approximately 5% and 10% prior to the pandemic. Although different potential purchasers would calculate a vacancy and collection loss allowance at different points in this range, it is unlikely that 5% would be selected in consideration of the time required for the Metro Edmonton to get back to that level. Conversely, potential purchasers who use a 10% vacancy allowance within their analyses would most likely lose to other competing bids. It is for these reasons that 7.5% is judged to be a sensible vacancy and collection loss allowance for Careadon Village. This implies a vacancy and collection loss allowance of $530,789 ($7,077,180 x 7.5%) for inclusion within this appraisal.

Resident Days

Resident Days (RD) is a metric used in the analysis of seniors residences. Some revenue and expense items are calculated based on the stabilized Per Resident Day (PRD) reflected by the property. Resident Days at Careadon Village are calculated as follows:

- One bedroom suits: 11 suites x 1.10 residents per suite x 365 days = 4,417.
- One bedroom + den suites: 38 suites x 1.10 residents per suite x 365 days = 15,257.
- Two bedroom suites: 108 suites x 1.50 residents per suite x 365 days = 59,130.
- Two bedroom + den suites: 7 suites x 1.50 residents per suite x 365 days = 3,833.

The subject property therefore has 82,637 Resident Days, which implies a total occupancy count of approximately 226 in the facility. Stabilized Resident Days, once the vacancy and collection loss of 7.5% is accounted for, totals 76,439 (82,637 fully occupied RD x 92.5%).

Additional Services Revenue

Careadon Village generates further revenue from its residents by offering additional services. This relates to a wide range of options including additional occupants, parking, dining options, housekeeping services, phone and internet services, recreation trips, and many other minor items.

Additional Occupancy

Each occupant, in excess of one per room, will pay an extra fee. This fee can vary widely but has been estimated at approximately $300 per additional person this year. This implies additional occupancy revenue as fully stabilized at $223,200 ($300 per person x 62 persons x 12 months) based on a room count of 164 and a total occupancy count of 226.

Parking

There are 71 underground parking stalls and 92 surface parking stalls at Careadon Village. On a stabilized basis, it is estimated that 60 of the underground parking stalls will be actively rented and 70 of the surface parking stalls will be rented. The remainder will be provided to visitors, staff, or be chronically vacant. Market

rent for underground stalls will be $125 per month and market rent for surface stalls will be $50 per month. This implies a normalized level of parking at $11,000 per month or $132,000 per annum.

Dining

Food and beverage services at the property will be optional and many residents will prepare meals in their own suites. Independent living properties generally realize dining service revenue of between $5.00 and $8.00 PRD depending on a wide variety of factors. In consideration of the scale, quality, and expected resident demographics, a PRD of $6.50 has been included herein. This implies dining service revenue of approximately $496,854.

Housekeeping

Housekeeping services will also be optional at the property and most likely only sporadically used by residents in consideration of the in-suite laundry amenities. A PRD of $2.00 has been included herein, which implies housekeeping services of $152,878.

Phone and Internet

Telecommunication services will be available at Careadon Village and provided to the residents at a fee. Due to the prevalence of streaming services and mobile phones, such services have declined over the past decade. For the purposes of this analysis, a PRD of $2.00 has been included in this analysis. Revenue of $152,878 will therefore be included herein.

Miscellaneous

There are a variety of smaller items that will accrue revenue at the property once it is completed and occupied. This includes a wide variety of minor items like storage, lock changes, visitor accommodation, etc. They have been included herein at a PRD of $1.00 or $76,439.

These amounts will be included in the Pro Forma Operating Statement at the end of this section.

Operating Expenses

Operating expenses relate to those items that are annually reoccurring at the subject property to facilitate its operation. It excludes financing costs, amortization, capital costs, income taxes, and other such items to maintain consistency with the comparables included to derive the overall capitalization rate.

Salaries and Wages

Salaries and wages expenses vary significantly for seniors homes depending on the level of care and amenities offered. They can have a PRD as low as $5.00 within seniors apartments and a PRD as high as $30.00 within higher care facilities. The subject property has a relatively low level of care and therefore a relatively low rate is appropriate for use in this analysis. A PRD of $9.00 has been included within this analysis, which implies an annual stabilized salaries and wages expense of $687,951 per annum (76,439 stabilized PRD x $9.00 per PRD). This is equivalent to $4,195 per suite per annum.

Salaries and Wages Benefits

Careadon Village will also accrue costs in addition to salaries and wages. This includes Employment Insurance premiums, Canada Pension Plan premiums, Workplace Safety Insurance Board premiums, dental insurance, RRSP contributions, and others. These costs can equal 10% to 20% of salaries and wages costs and have been included herein at a stabilized level of 15% or $103,193. This is equivalent to $629 per suite per annum.

Dining Services

Food and supply expenses at Careadon Village relate to the food and beverage expenses offered to residents within the dining rooms and as part of room service. They generally vary between a PRD of $3.00 and $7.00 for independent living facilities depending on the characteristics of the individual residence. In consideration of the size and level of use expected at Careadon Village, a dining service expense of $3.50 PRD or $267,537 per annum have been included herein. This is equivalent to $1,631 per suite per annum.

Supplies

Supplies at an independent living facility includes items required for nursing and medical services, recreation activities, activity outings, vehicles costs, housekeeping, and other related needs. They generally range between PRDs of $0.50 and $1.50 depending again on the level of service provided by a particular facility. In consideration of the level of service to be offered at Careadon Village, a PRD of $0.75 has been included. This implies an annual amount of $57,329 or $350 per suite per annum.

Administration

These expenses relate to the property-level administration at Careadon Village. It includes things such as general office supplies, computer expenses, recruitment, HR expenses, bank charges, and a variety of other smaller items. PRD expenses for administration generally vary between 0.5% and 1.0% of effective gross income at independent living facilities and have been included within this analysis at 0.5% in consideration of its scale and relatively high rents. This implies administration expenses of $38,903 per annum or $237 per suite per year.

Advertising

Advertising includes the maintenance of the website, marketing materials, referrals by companies that solicit seniors housing demand, commissions by leasing teams, promotions, and other such items. They have been included within this analysis at $250 per unit per annum, which is near the lower end of industry averages in consideration of the relatively large size and prestige of Careadon Village. This suggests an annual expense of $41,000.

Repairs and Maintenance

Careadon Village will accrue repairs and maintenance expenses from suite renovations, elevator repair, furniture and appliance replacement, supplies, upkeep, and a variety of other common area repairs. This expense category excludes wages for maintenance staff, which was included in a separate category above. Repairs and maintenance expenses generally vary from about $2.50 to $4.00 PRD. Although the property

is new, it is also relatively large. Repairs and maintenance expenses are included herein at $2.75 PRD or $210,207 per annum. This is equivalent to $1,282 per suite.

Utilities

Utilities include costs for heating, electricity, water, sewage, and garbage removal. Each unit at Careadon Village has individually controlled heating and cooling systems and it is noted that in-suite power is payable by the residents. In consideration of utility costs at similar independent living facilities, a utility expense of $1,800 per unit per annum is judged to be appropriate for use in this analysis. This suggests an annual utility expenses of $295,200 ($3.86 PRD).

Insurance

Insurance expenses are payable by owners of seniors residences. They have increased markedly in the past five years due to increasing claims to insurance companies. These costs vary depending on the type of construction and scale of common areas at a seniors residence but generally vary between $250 and $450 per suite per year. Since the subject property is non-combustible construction and is fully sprinklered, it should generate insurance premiums towards the lower end of that range. For the purposes of this analysis, we have included an insurance expense of $300 per suite per year or $49,200 per annum.

Property Taxes

Since the subject property is a for-profit and privately owned seniors residence, property taxes will be payable by any prospective owner. Seniors residences in Metropolitan Edmonton are generally taxed at a unit rate of $2,000 to $3,500 per suite per year. Although its level of care is relatively light, Careadon Village will be one of the preeminent seniors facilities in the region and thus will be taxed accordingly. For the purposes of this analysis, we have included property taxes at $3,200 per suite per year or $524,800 per annum.

Management

Management expenses represent the costs that are generated from the management company, private individuals, or owners for their time allotted to the running of the seniors residence. Although this item varies widely depending on tax, accounting, and ownership goals, seniors residence consultants generally build a 4% allowance of effective gross income for this item. The precise percent allowance for off-site management will not affect the value of the appraised seniors residence when the comparable sales are treated in the same manner. Since the comparable properties have all been analyzed with a 4% off-site management allowance, a management expense of 4% of effective gross income or $311,226 per annum has also been included for the analysis of Careadon Village.

Projected Results

The stabilized net operating income for Careadon Village, assuming its full completion and stabilized performance (see Extraordinary Assumptions) is detailed within the Pro Forma Operating Statement located on the following page.

PRO FORMA OPERATING STATEMENT

Careadon Village
2 Inglewood Drive, St. Albert, Alberta
Post-Construction Stabilized Performance

Property Revenue

Potential Gross Resident Fees		$ 7,077,180
Less Vacancy & Collection Loss @ 7.5% of PGI		$ 530,789
Effective Gross Resident Fees		$ 6,546,391
Additional Services - Additional Occupancy		$ 223,200
Additional Services - Parking		$ 132,000
Additional Services - Dining		$ 496,854
Additional Services - Housekeeping		$ 152,878
Additional Services - Phone and Internet		$ 152,878
Additional Services - Miscellaneous		$ 76,439
Effective Gross Income		$ 7,780,640

Operating Expenses

Salaries and Wages	$ 687,951	
Salaries and Wages Benefits	$ 103,193	
Dining Services	$ 267,537	
Supplies	$ 57,329	
Administration	$ 38,903	
Advertising	$ 41,000	
Repairs and Maintenance	$ 210,207	
Utilities	$ 295,200	
Insurance	$ 49,200	
Property Taxes	$ 524,800	
Management	$ 311,226	
Less Total Operating Expenses		$ 2,586,546
NET OPERATING INCOME		$ 5,194,094

Income Approach - Overall Income Capitalization

Methodology

Stabilized net operating income for Careadon Village was forecast in the previous section of this report. An appropriate overall capitalization rate must now be determined in order to translate this net income projection into an expression of market value. The Appraisal of Real Estate Canadian Edition (Page 405, 1992) defines the overall capitalization rate as "an income rate for a total property that reflects the relationship between a single year's net operating income expectancy and the total property price or value. It is used to convert net operating income into an indication of overall property value". The most appropriate income year to measure the value of the property is the forthcoming twelve-month period, as this year requires the fewest assumptions and provides the most certain net operating income over the investment horizon. The use of Year One income is sometimes referred to as a "going-in overall capitalization rate".

Non-Segregated Overall Capitalization Rate

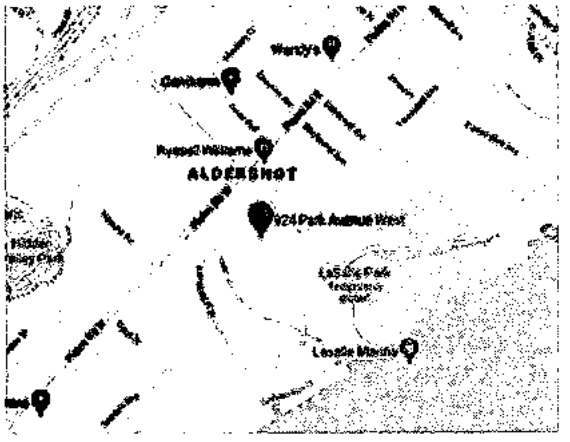
Separate revenue items provide influence to the overall capitalization rate depending on their size and composition but are not separately capitalized by the vast majority of purchasers of seniors residences. They are valued as a whole income stream much in the same way that office building purchasers value office rental revenue, retail rental revenue, parking revenue, and storage revenue as one income stream. Even if an appraiser wanted to value these items separately, it would not be possible. Since segregated revenue items at a seniors residence are never sold separately, there is no credible capitalization rate or conversion ratio basis available to translate those segregated revenue items into expressions of value. Since actual market participants capitalize the net operating income for a seniors residence as a whole, the valuation of the subject property will also capitalize the net operating income for the property as a whole.

Comparable Market Transactions

The task of establishing an appropriate capitalization rate is most appropriately served by way of an analysis of recently concluded transactions on properties considered similar to the subject in terms of investment appeal. The following indices outline information relating to activity on five seniors residence sales that were considered to provide the best evidence towards the selection of an appropriate overall capitalization rate for Careadon Village.

Park Avenue Manor

924 Park Avenue West, Burlington, Ontario



Property Description

Property Type	Seniors residence
Level of Service	IL and AL
Construction	Brick and wood frame
Year Built	1989
Number of Units	74
Major Amenities	Dining, library, salon, lounge
Site Area	1.41 Acres
Parking	Adequate surface parking

Location / Zoning / Legal

Address	924 Park Avenue West
Municipality	Burlington
Province	Ontario
Neighbourhood	Aldershot
Tax Roll Number	9402010111085
Traffic Volume	Minimal (Park Avenue West)
Zoning / Land Use	R2.1
Legal Description	642;37-43

Transaction Details

Sale Price	$10,250,000
Sale Price Per Unit	$138,514
Status	Sold
Month Sold	December 2019
Financing	Not available
Vendor	Park Place Lifestyles Inc.
Purchaser	Park Avenue Residences Ltd.
Transfer Number	Not available
Interest Transferred	100%
Type of Sale	Asset sale

Income Analysis

Number of Storeys	One
Building Area	61,594 square feet
Independent Living Units	50
Assisted Living Units	24
Memory Care Units	0
Shared Units	0
Studio Units	22
One-Bedroom Units	52
Two-Bedroom Units	0

Comments

- Situated within a quiet neighbourhood near the marina.
- Dated appearance and design. Low-rise structure.
- Flexible care plans to provide for progressive service.
- Also allows for short-term post-hospital stays.
- Relatively low levels of near-term income upside.

Allowances

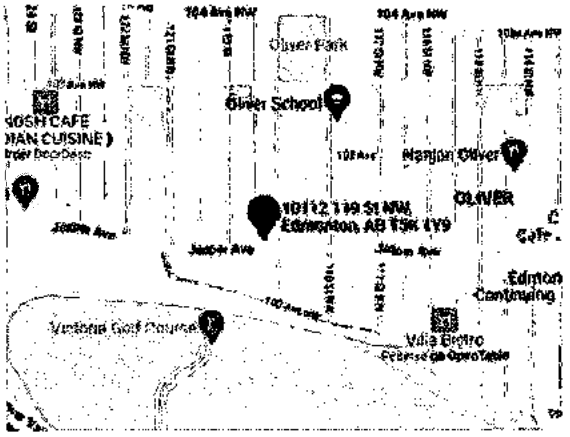
Gross Revenue	$2,906,252
Net Income	$732,608
Net Income Per Unit	$9,900

Return / Yield Analysis

Overall Capitalization Rate	7.15%
IRR	9.03% (7.25% Terminal Cap)

Our Parent's Home

10112 - 119 Street NW, Edmonton, Alberta



Property Description

Property Type	Seniors residence
Level of Service	IL, AL, and MC
Construction	Concrete and steel frame
Year Built	2015
Number of Units	134
Major Amenities	Spa, theatre, dining, library
Site Area	0.37 acres
Parking	Underground parkade

Location / Zoning / Legal

Address	10112 - 119 Street NW
Municipality	Edmonton
Province	Alberta
Neighbourhood	Oliver
Tax Roll Number	Multiple
Traffic Volume	25,600 (Jasper Avenue NW)
Zoning / Land Use	DC2 (Site Specific Provision)
Legal Description	1421332;19;25B+

Transaction Details

Sale Price	$46,000,000
Sale Price Per Unit	$343,284
Status	Sold
Month Sold	January 2021
Financing	$24,786,782 from MCAP
Vendor	Our Parent's Home
Purchaser	2780950 Ontario Limited
Transfer Number	212 008 100
Interest Transferred	100%
Type of Sale	Asset Sale

Income Analysis

Number of Storeys	Fourteen
Building Area	Unknown
Independent Living Units	84
Assisted Living Units	17
Memory Care Units	33
Shared Units	0
Studio Units	0
One-Bedroom Units	92
Two-Bedroom Units	42

Comments

- Located in a higher prestige area of Central Edmonton.
- Close to the river valley and good commercial amenities.
- Includes main floor retail tenancies.
- Continuing care facility with higher quality common amenities.
- Relatively high levels of near-term income upside.

Allowances

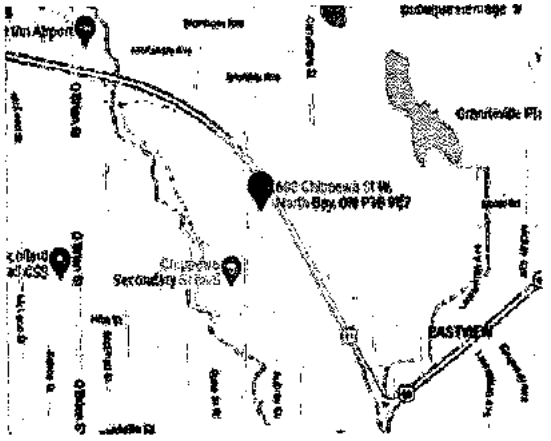
Gross Revenue	$10,979,827
Net Income	$3,169,400
Net Income Per Unit	$23,652

Return / Yield Analysis

Overall Capitalization Rate	6.89%
IRR	8.98% (7.00% Terminal Cap)

Barclay House

600 Chippewa Street West, North Bay, Ontario



Property Description

Property Type	Seniors residence
Level of Service	IL and AL
Construction	Wood frame
Year Built	1987
Number of Units	65
Major Amenities	Dining, lounge, salon, physio
Site Area	3.26 acres
Parking	Adequate surface parking

Location / Zoning / Legal

Address	600 Chippewa Street West
Municipality	North Bay
Province	Ontario
Neighbourhood	Gateway
Tax Roll Number	Not available
Traffic Volume	27,200 (Highway 11)
Zoning / Land Use	N (Institutional Zone)
Legal Description	PCL16923SECWF;LT636PLM

Transaction Details

Sale Price	$12,000,000
Sale Price Per Unit	$184,615
Status	Sold
Month Sold	December 2021
Financing	Not available
Vendor	Levante Living
Purchaser	Chartwell Retirement
Transfer Number	Not available
Interest Transferred	100%
Type of Sale	Asset sale

Income Analysis

Number of Storeys	One
Building Area	31,650 square feet
Independent Living Units	42
Assisted Living Units	23
Memory Care Units	0
Shared Units	0
Studio Units	65
One-Bedroom Units	0
Two-Bedroom Units	0

Comments

- Situated along Highway 11 adjacent to a park.
- Average quality rooms with standard common amenities.
- 95% occupied at the time of sale. Stable revenues.
- Sold in package deal with three other seniors homes.
- Relatively low levels of near-term income upside.

Allowances

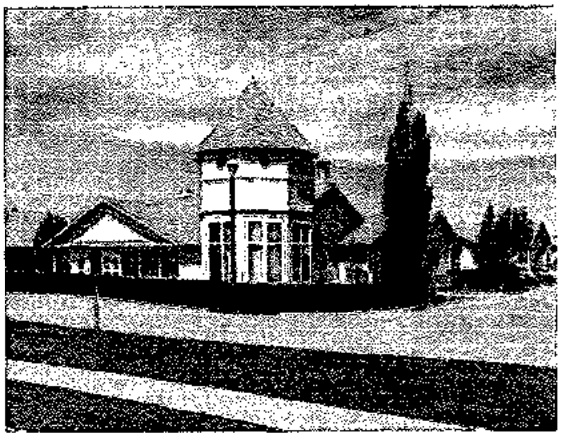
Gross Revenue	$2,546,511
Net Income	$897,125
Net Income Per Unit	$13,802

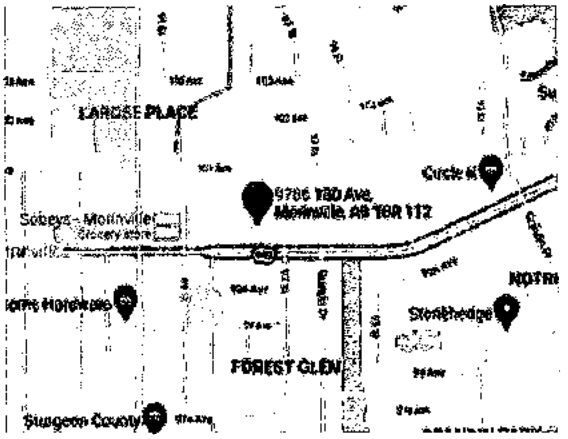
Return / Yield Analysis

Overall Capitalization Rate	7.48%
IRR	8.74% (7.50% Terminal Cap)

Aspen House Care Residence

9706 - 100 Avenue, Morinville, Alberta





Property Description

Property Type	Seniors Residence
Level of Service	AL and MC
Construction	Wood frame
Year Built	1998 and 2010
Number of Units	72
Major Amenities	Dining, salon, library, gardens
Site Area	4.60 acres
Parking	Adequate surface parking

Location / Zoning / Legal

Address	9706 - 100 Avenue
Municipality	Morinville
Province	Alberta
Neighbourhood	Larose Place
Tax Roll Number	122903
Traffic Volume	8,060 (100th Avenue)
Zoning / Land Use	C4 (Highway Commercial)
Legal Description	1422844;21;10

Transaction Details

Sale Price	$7,778,991
Sale Price Per Unit	$108,041
Status	Sold
Month Sold	November 2020
Financing	$30,750,000 from BMO
Vendor	CSH (Aspen House) Inc.
Purchaser	Yarrow GP Inc.
Transfer Number	202 253 540
Interest Transferred	100%
Type of Sale	Asset Sale

Income Analysis

Number of Storeys	One
Building Area	52,312 Square Feet
Independent Living Units	0
Assisted Living Units	44
Memory Care Units	28
Shared Units	0
Studio Units	0
One-Bedroom Units	72
Two-Bedroom Units	0

Comments

- Located in a smaller suburban community of Metro Edmonton.
- Wood frame structure of average appearance/functionality.
- Part of a three-property portfolio for $30,750,000.
- Occupancy of the portfolio was 81.9% as of the sale date.
- Relatively high levels of near-term income upside.

Allowances

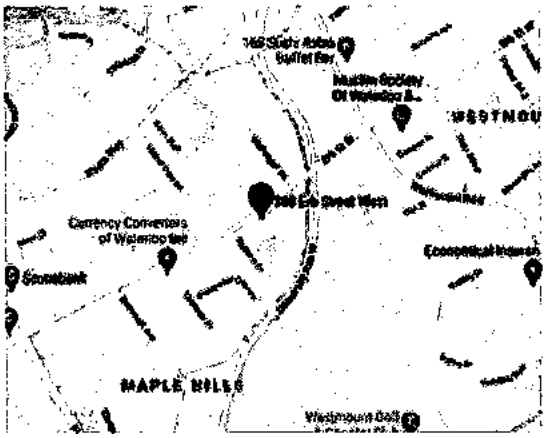
Gross Revenue	$1,603,216
Net Income	$482,335
Net Income Per Unit	$6,699

Return / Yield Analysis

Overall Capitalization Rate	6.20%
IRR	8.21% (6.50% Terminal Cap)

Beechwood Manor

305 Erb Street West, Waterloo, Ontario



Property Description

Property Type	Seniors residence
Level of Service	IL and AL
Construction	Wood frame
Year Built	1984 and 2012
Number of Units	83
Major Amenities	Dining, lounge, patio, lounge
Site Area	Not available
Parking	Adequate surface parking

Location / Zoning / Legal

Address	305 Erb Street West
Municipality	Waterloo
Province	Ontario
Neighbourhood	Maple Hills
Tax Roll Number	03080007
Traffic Volume	8,900 (Erb Street West)
Zoning / Land Use	RMU-20 (Residential MU)
Legal Description	496,13 and 42

Transaction Details

Sale Price	$13,500,000
Sale Price Per Unit	$162,651
Status	Sold
Month Sold	May 2019
Financing	Not available
Vendor	Beechwood Retirement Lodging
Purchaser	Beechwood Manor Inc.
Transfer Number	Not available
Interest Transferred	100%
Type of Sale	Asset sale

Income Analysis

Number of Storeys	Two
Building Area	Not available
Independent Living Units	37
Assisted Living Units	46
Memory Care Units	0
Shared Units	2
Studio Units	4
One-Bedroom Units	65
Two-Bedroom Units	12

Comments

- Situated along a busier roadway in Central Waterloo.
- Moderately older but recent renovation/expansion.
- Limited on-site amenities but near to commercial businesses.
- 35 additional units added in 2012.
- Relatively high levels of near-term income upside.

Allowances

Gross Revenue	$2,744,108
Net Income	$808,742
Net Income Per Unit	$9,744

Return / Yield Analysis

Overall Capitalization Rate	5.99%
IRR	8.11% (6.25% Terminal Cap)

Capitalization Rate Analysis

The foregoing comparables indicate a range in overall capitalization rates of between approximately 6.00% and 7.50%. They represent five seniors residences that have sold over the past four years. They were considered to provide the best evidence towards the selection of an appropriate overall capitalization rate for Careadon Village. The following table details their comparability to the subject property as would be viewed by a potential investor.

Overall Capitalization Rate Comparison

	Index One	Index Two	Index Three	Index Four	Index Five
Property Name	Park Avenue	Our Parent's	Barclay House	Aspen House	Beechwood
Property Location	Burlington	Edmonton	North Bay	Morinville	Waterloo
Month of Sale	December 2019	January 2021	December 2021	November 2020	May 2019
Overall Cap Rate	7.15%	6.89%	7.48%	6.20%	5.99%
Capitalization Rate Comparability					
Participant Motivation	Similar	Similar	Similar	Superior	Similar
Ownership Interest	Similar	Similar	Similar	Similar	Similar
Financing	Similar	Similar	Similar	Similar	Similar
Market Condition (Time)	Similar	Inferior	Inferior	Inferior	Similar
Physical Factors	Inferior	Similar	Inferior	Inferior	Inferior
Locational Factors	Superior	Similar	Superior	Similar	Superior
Income Upside Potential	Inferior	Superior	Inferior	Superior	Superior
Complexity of Operation	Similar	Inferior	Similar	Inferior	Similar
Comparison Conclusion	**Too High**	**Appropriate**	**Too High**	**Too Low**	**Too Low**

The above indices have been analyzed on a stabilized basis and were considered to provide credible sales evidence in the selection of an appropriate overall capitalization rate range for Careadon Village.

Capitalization Rate Survey

CBRE conducts quarterly surveys of rental rate, capitalization rate, and discount rate trends in the Canadian marketplace. They survey a wide variety of market participants and are therefore considered to be a recognized authority on such matters. The evidence within these reports provides good secondary corroboration to direct examples of seniors home overall capitalization rates.

The last Canadian Cap Rates & Investment Insights survey was conducted in the Fourth Quarter of 2022. According to this survey, Class A Independent/Assisted Living Seniors Housing cap rates ranged between 6.25% and 7.00% in Metropolitan Edmonton. Surveys like these can be helpful but they are weaker evidence than the five sales earlier in this section because they are opinions rather than facts. Purposeful or unintended bias from respondents is also an issue depending on individual motivations.

Selection of an Appropriate Overall Capitalization Rate

Capitalization rates tend to vary between seniors residences depending on factors such as location, size and complexity of development, age and condition of improvements, level of government funding, and regulatory requirements. Combining all these features with considerations of occupancy trends, interest rates, availability of financing, investor demand, and future income upside, the overall capitalization rate generally tends to reflect the perceived quality and durability of the income earning potential of a seniors residence.

Properties with consistent revenue and the perceived potential for an increase in revenue tend to trade at comparatively low overall rates as compared to properties which have a history of unstable occupancy, poor location, physical deficiencies, or other forms of perceived instability. The positive and negative investment features of Careadon Village, as a potential purchaser would perceive them, include the following.

Positive Investment Features

- Brand new and attractive concrete frame structure.
- Picturesque setting near compatible commercial uses.
- Predominantly two-bedroom units. Good common areas.
- Healthy economic conditions in the province.

Negative Investment Features

- Relatively low level of care is deflationary to unit values.
- High vacancy levels for seniors homes in Alberta.
- Skepticism regarding life-lease occupancy.
- Abundance of seniors homes in St. Albert.

In consideration of the relative merits and influences of the income stream at Careadon Village compared to the sales indices, it is our opinion that an overall capitalization rate of 6.50% to 7.00% would be appropriate to apply to its Year One net operating income. Ongoing discussions with professionals active in the Canadian seniors residence market corroborate that this range of overall capitalization rates is reasonable and appropriate for a higher quality seniors residence in a major Canadian city.

Applying the mid-rate of this range to the stabilized net operating income of $5,194,094 results in a value estimate as follows.

$$\text{Value} = \frac{\text{Net Operating Income}}{\text{Overall Capitalization Rate}}$$

$$\text{Value} = \frac{\$5,194,094}{6.75\%}$$

$$\text{Value} = \$76,949,541$$

This calculation provides a rounded value of $76,950,000.

Summary - Income Approach via Overall Income Capitalization

In summary, the market value of Careadon Village as if fully constructed and operating at stabilized levels as at February 22, 2023 is estimated by the Income Approach via Overall Income Capitalization to be $76,950,000.

Income Approach - Discounted Cash Flow Analysis

Methodology

An additional technique utilized to determine the value of a property like Careadon Village is the Discounted Cash Flow Analysis. The theory behind this analysis is based upon an assumption that the real estate investment will generate future benefits from the income stream. The advantage of a Discounted Cash Flow Analysis is that it enables the investor to examine the cash flows over the anticipated investment period, as well as examining overall returns, returns on equity, and internal rates of return on the investment based upon flexible assumptions.

Assumptions for Discounted Cash Flow Analysis

In estimating the cash flows applicable to the subject property, the following assumptions have been made.

1. A ten-year projection period has been utilized. This is a typical projection period commonly used by the type of investor normally interested in seniors residences.
2. Revenues have been included at their levels as discussed within the Income Approach - Revenue and Expense Analysis section of this appraisal. They will be inflated by a growth factor of 2.5% through the analysis period.
3. Expenses have been included at their levels as discussed within the Income Approach - Revenue and Expense Analysis section of this appraisal. They will be inflated by a growth factor of 2.5% through the analysis period.
4. The property has been analyzed on an all-cash basis, assuming no financing is in place.
5. The current overall capitalization rate for the subject property as of February 22, 2023 was estimated at 6.50% to 7.00%. The return (reversion) for this property ten years from this date is difficult to forecast, although several factors that will impact this rate in the future can be ascertained.

    - The net operating income of the property at the date of reversion demonstrates a moderate increase over the preceding years.
    - The investment trends for seniors residences like the subject are forecast to improve mildly over the next ten years as the effects of the pandemic fade.
    - The current practice of vendors, purchasers, and agents is typically to use a flat to increased reversionary rate in the Canadian market.

    A reversionary capitalization rate range of 6.75% to 7.75% to net operating income in Year Eleven has therefore been utilized within this valuation technique.

6. The most accurate and dependable method of selecting an appropriate internal rate of return, or discount rate, is through an analysis of recent sales of comparable properties. Similar to overall capitalization rates, discount rates tend to be higher for those properties with relatively higher risks to the income stream, poor historical performance, or are in relatively poor condition. The comparable sales index properties (see previous section) displayed a discount rate range of between approximately 8.11% and 9.03% and averaged 8.61%. A discount rate near the average is judged to be most appropriate in consideration of the income characteristics of the subject property relative to the comparable sales.

Value Summary

In recognition of the foregoing discussion, a discount rate range of between 8.25% and 9.25% is considered to be reasonable in forecasting a value for Careadon Village. Applying this discount rate range to the projected cash flows results in the values for the property as summarized in the following table.

Value Matrix						
Table Shows:	1) Unleveraged PV's 2) Unleveraged PV's $/SF 3) Going In Cap. Rates	1) Net Sale Price 2) Exit Cap Rate 98,591,931 6.75%	94,994,805 7.00%	91,706,694 7.25%	88,651,738 7.50%	85,792,094 7.75%
1) Cash Flow Discount Rate 2) Resale Discount Rate	8.25% 8.25%	82,578,580 0.00 6.29%	80,966,344 0.00 6.41%	79,503,916 0.00 6.53%	78,120,317 0.00 6.65%	76,825,983 0.00 6.76%
	8.50% 8.50%	81,122,499 0.00 6.40%	79,566,571 0.00 6.53%	78,117,949 0.00 6.65%	76,765,902 0.00 6.77%	75,501,084 0.00 6.88%
	8.75% 8.75%	79,699,535 0.00 6.52%	78,178,008 0.00 6.64%	76,763,345 0.00 6.77%	75,442,069 0.00 6.88%	74,206,819 0.00 7.00%
	9.00% 9.00%	78,308,830 0.00 6.63%	76,822,820 0.00 6.76%	75,459,294 0.00 6.89%	74,148,002 0.00 7.01%	72,940,028 0.00 7.12%
	9.25% 9.25%	76,946,551 0.00 6.75%	75,497,198 0.00 6.88%	74,145,007 0.00 7.01%	72,882,962 0.00 7.13%	71,702,339 0.00 7.24%

Selecting the mid-value in the above matrix provides a market value of the subject property via Discounted Cash Flow Analysis that is rounded to $76,760,000. Detailed summary sheets and a ten-year cash flow statement, utilizing Argus Enterprise, are included in the Appendix to this report.

Summary - Income Approach via Discounted Cash Flow Analysis

In summary, the market value of Careadon Village as if fully constructed and operating at stabilized levels as at February 22, 2023 is estimated by the Income Approach via Discounted Cash Flow Analysis to be $76,760,000.

Direct Comparison Approach

Methodology

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics, operating performance, location, etc. Within this approach, the property being appraised is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject. Typically, a unit of comparison (i.e. sale price per square foot, sale price per unit) is used to facilitate the analysis. In the case of seniors residences similar to the subject property, the sale price per resident unit is the basis of comparison.

Sales Evidence

The sales transactions within the Income Approach are considered to be reasonable for use within this portion of the analysis and have been restated below. Their sale prices per unit have been detailed along with their net operating incomes per unit. It is noted that seniors residences are principally purchased for their income earning ability. As such, both unadjusted and adjusted (for potential operating performance) per unit values will be considered.

Selected Property Indices

No.	Name Location	Size Construction	Sale Date Sale Price	Price/Unit NOI/Unit	Comments
1	Park Avenue Manor 924 Park Avenue West Burlington Ontario	74 Units Brick/Wood	December 2019 $10,250,000	$138,514 $9,900	Built in 1989. Single-storey low cost structure. Strong location. Dated appearance. IL and AL level of care.
2	Our Parent's Home 10112 - 119 Street NW Edmonton, Alberta	134 Units Concrete/Steel	January 2021 $46,000,000	$343,284 $23,652	Built in 2015. Higher quality high-rise development. Main floor retail and underground parkade. IL, AL, and MC level of care.
3	Barclay House 600 Chippewa Street West North Bay, Ontario	65 Units Wood Frame	December 2021 $12,000,000	$184,615 $13,802	Built in 1987. Smaller community. Only bachelors. One-storey with conventional amenities. IL and AL level of care.
4	Aspen House Care 9706 - 100 Avenue Morinville, Alberta	72 Units Wood Frame	November 2020 $7,778,991	$108,041 $6,699	Built in 1998. Expanded in 2010. Suburban community. One storey buildings. Part of a portfolio. AL and MC level of care.
5	Beechwood Manor 305 Erb Street West Waterloo, Ontario	83 Units Wood Frame	May 2019 $13,500,000	$162,651 $9,744	Built in 1984. Expanded in 2012. Located near Downtown Waterloo. Limited amenities. IL and AL level of care.

Analysis of Comparable Properties

As mentioned previously, a purchaser of the subject property would consider income levels to be of importance to the pricing of an offer. It is noted that the subject property is forecast to generate a stabilized net operating income of $31,671 per unit as forecast earlier within this report. The unadjusted and adjusted (for operating performance) prices per unit are detailed in the following table.

Direct Comparison Approach - Unadjusted and Adjusted Analyses

	Index One	Index Two	Index Three	Index Four	Index Five
Property Name	Park West	Our Parent's	Barclay House	Aspen House	Beechwood
Location	Burlington	Edmonton	North Bay	Morinville	Waterloo
Sale Price	$10,250,000	$46,000,000	$12,000,000	$7,778,991	$13,500,000
Month of Sale	December 2019	January 2021	December 2021	November 2020	May 2019
Size	74 Units	134 Units	65 Units	72 Units	83 Units
Unadjusted Analysis					
Unadjusted Unit Price	**$138,514**	**$343,284**	**$184,615**	**$108,041**	**$162,651**
Participant Motivation	Similar	Similar	Similar	Superior	Similar
Ownership Interest	Similar	Similar	Similar	Similar	Similar
Market Conditions (Time)	Similar	Inferior	Inferior	Inferior	Similar
Physical Condition	Inferior	Similar	Inferior	Inferior	Inferior
Locational Factors	Superior	Similar	Superior	Similar	Superior
Scale of Amenities	Inferior	Superior	Inferior	Inferior	Inferior
Level of Care	Superior	Superior	Superior	Superior	Superior
Operating Performance	Inferior	Inferior	Inferior	Inferior	Inferior
Income Upside Potential	Inferior	Superior	Inferior	Superior	Superior
Suitability for Subject	**Too Low**	**Too Low**	**Too Low**	**Too Low**	**Too Low**
Adjusted Analysis					
Unit NOI (Per Unit)	$9,900	$23,652	$13,802	$6,699	$9,744
Variation from $31,671/Unit	-220%	-34%	-129%	-373%	-225%
Adjusted Sale Price ($/Unit)	**$443,119**	**$459,671**	**$423,630**	**$510,788**	**$528,666**

Unadjusted Analysis

The unadjusted unit values range from $108,041 and $343,284 per unit. A value above this range appears to be most appropriate for the subject in consideration of its physical, locational, and income characteristics compared to the indices.

Adjusted Analysis

A method to refine the unit values from the preceding sales is to adjust them for their income earning potential. A property's physical and locational characteristics are strongly correlated with its ability to generate income (operating performance). However, the analysis of net operating income per unit is only used to assist in narrowing the appropriate unit value range. Reliance of this analysis tool to the exclusion of the standard items of consideration within the Direct Comparison Approach (location, physical improvements, market conditions, etc.) would be an error because it would simply be a reiteration of the Income Approach. NOI per unit is a helpful tool to understand the physical and locational characteristics of the comparable properties and not a substitute for their investigation.

The above values, adjusted to account for differences to stabilized unit net operating income, display a narrower range of between approximately $423,630 and $528,666 per unit. The unweighted average was approximately $473,175 per unit and the median was $459,671 per unit.

Conclusion

Purchasers using the Direct Comparison Approach would consider a variety of factors in order to determine an appropriate unit value for Careadon Village. In this regard, the following points are noted.

- Typical motivation, ownership, and financing assumed for the property.
- Unit values for seniors residences declined during 2020 but have been recovering ever since.
- The improvements will be brand new and in excellent condition once completed.
- Located in close proximity to commercial and greenspace amenities in St. Albert.
- Middling level of common area amenities compared to the index sales.
- Light levels of resident care.
- Very high operating performance compared to the index sales.
- Middling income upside potential compared to the index sales.

An estimated unit value of $460,000 to $480,000 per unit, which is above the unadjusted range but near the adjusted average, is therefore judged to be an achievable price level for use in the appraisal of Careadon Village. Applying the mid-value of this range to the building size of 164 units results in the following calculation.

$470,000 per unit x 164 units = $77,080,000

This calculation therefore provides a rounded value of the subject property via the Direct Comparison Approach at $77,080,000.

Summary - Direct Comparison Approach

In summary, the market value of Careadon Village as if fully constructed and operating at stabilized levels as at February 22, 2023 is estimated by the Direct Comparison Approach to be $77,080,000.

Life Lease Valuation

Introduction

Careadon Village could also be operated as a Life Lease facility in whole or in part. A Life Leases is a legal agreement that allows a resident to occupy a unit for the rest of his or her life or until they are no longer willing/able to maintain their occupancy within the building. A Life Lease generally involves an entrance fee that is based on the market value of the unit or some fraction thereof. A resident will also be obligated to pay monthly fees that are based on operating expenses (including property taxes) at the property plus some minor overhead costs. If the entrance fee was less than the full market value of the unit, then financing costs or partial rent may also be added to the monthly fees. Upon the death of the resident or termination of the Life Lease at an earlier point, a redemption value is usually returned to the estate or resident. There are five forms of redemption value according to CMHC, namely:

- Zero redemption. This implies no redemption value. It also implies that the entrance fee was minimal. This form of Life Lease is very rare in Alberta.
- Declining balance. This implies that the redemption value will decline every year for a set period of time until it reaches zero. If the resident dies or terminates prior to that zero point, then they (or their estate) are eligible for a minor redemption value. This form of Life Lease typically involves a minor entrance fee and is somewhat rare in Alberta.
- No gain. The redemption value will equal the entrance fee. This implies a full refund of the initial monies although the investment will decline in real terms due to the presence of inflation. This is, in effect, a zero-interest loan to the developer. The entrance fee is typically based on market values for similar units in the community. This form of Life Lease is somewhat common in Alberta.
- Price indexing. The redemption value will equal the entrance plus an inflating factor such as CPI. This could result in a positive benefit to either the developer or the resident depending on market values and the rate of inflation within Canada. This form of Life Lease is somewhat rare in Alberta.
- Market value. The entrance fee is generally set at the market value of the unit at the time of initiation and the redemption value is also set at the market value at the time of redemption. There is some risk involved to the resident's investment depending on market conditions and the diligence of the property manager to maintain the building. But in general, it provides the best possible investment for the resident. Developers do not face significant risk with this scenario because they will be able to both buy and resell the unit at market levels. This form of Life lease is somewhat common in Alberta.

Life lease buildings are relatively rare in Alberta compared to conventional rental or condominium structures. They are almost exclusively targeted at active seniors and the majority are handled by non-profit organizations. As such, their investment cycles are less understood than most other forms of real estate ownership and operation. There are numerous risks to residents including (but not limited to):

- Mismatch of entrance fees to market value.
- Misunderstandings due to the relatively complex nature of the agreement.
- Excessive monthly fees.
- Significant increases to monthly fees.
- No New Home Warranty Program and not subject to the Residential Tenancies Act.
- Improper maintenance of the property and/or inadequate reserve fund.
- Significant fees associated with the redemption value.
- Mismatch of redemption value to market value.

There are also risks to the developer including (but not limited to):

- Mismatch of entrance fees to market value.
- Hesitation by potential residents due to the complexity of the Life Lease contract.
- Inadequate monthly fees.
- Difficulty in evicting problem residents.
- Legislation that may weaken landlord rights for Life Leases.
- Mismatch of redemption value to market value.

However, there are also some significant benefits to developers of Life Lease properties. A major obstacle to multi-family development is financing costs. Life Lease residents will provide a deposit during construction, which is equity than can help secure construction financing. Upon construction completion, take-out financing may not be required if sufficient Life Leases have been signed, which would allow for mortgage-free operation. Life lease buildings can also change their occupancy status if future conditions change, redeeming units but not re-leasing them to new residents should a rental building be desired.

In terms of value, Life Lease buildings in Alberta tend to reflect the market behaviour of conventional condominium buildings because they share the same dynamics:

- A purchase value/entrance fee that is usually based on market value.
- Monthly fees/condominium fees that are based on the operating expenses (including property taxes) at the building.
- Higher level of responsibility towards their building by residents compared to conventional rental product.
- The indefinite right to occupy the individual unit.
- A sale value/redemption value that is usually based on market value.
- Lesser level of amenities than typical seniors' homes.

In fact, a study commissioned by the Ontario Ministry of Municipal Affairs and Housing (Simmons, L.J., *1999 Life Lease Value Analysis and Review*) concluded that entrance fees for Life Leases in London and Toronto were similar to those for comparable condominium units. Assuming that the redemption value was going to be based on market value (or inflated by some other factor), it would be unusual for a Life Lease unit to sell at a discount or a premium to a condominium unit because of their similarity.

In the case of the subject property, Life Leases could be successfully implemented because condominiums are plentiful in St. Albert so ownership of individual multi-family units is widely practiced and understood. Careadon Village offers the additional benefit of services and amenities offered that are in excess of conventional condominium properties. Many seniors would prefer to live in a seniors residence due to the quieter and more respectable atmosphere in such structures. Only one other building currently offers Life Leases in St. Albert (Citadel Village). However, the presence of 164 life lease units at the subject property would be a major undertaking and a sellout would take years.

This section assumes the following in regards to assigning a value to Careadon Village as a Life Lease property.

- Vigorous marketing efforts to seniors in Metropolitan Edmonton.
- Entrance fees based on the market value of the units. Residents can pay less than full market value with financing rolled into monthly fees to make up the remainder. Residents will therefore be able to pay 50% to 100% of the entrance fee up front. This will allow effective marketing to both capital-rich and income-rich seniors.
- Monthly fees to cover operating expenses at the property including the building of a reserve fund plus some limited overhead. No extra rent will be attempted for collection by the developer (i.e. no ongoing income stream).
- Redemption value at market value less administration/closing costs of approximately 3% to 5%, which does not allow for a profit to the property owner.
- The ability for residents to pass along their unit to senior family members upon death.

Should the property be operated in a manner that is less advantageous to potential residents than as stated above (i.e. the redemption value is structured to decline in real terms or extra rent collected) then it will probably struggle to fully lease-up or it may lease-up at lower values. Due to the presence of numerous affordable condominium units elsewhere in St. Albert, seniors will not pay for this lesser form of ownership at the prices forecast herein.

If operated in this manner, the project would generate its entire value at the start of its economic lifespan. Revenues generated thereafter would only seek to cover expenses, build a reserve fund for capital repairs, and pay for administrative issues. The absorption period is estimated to be approximately 4.55 units per month, which would result in a sell-out in three years.

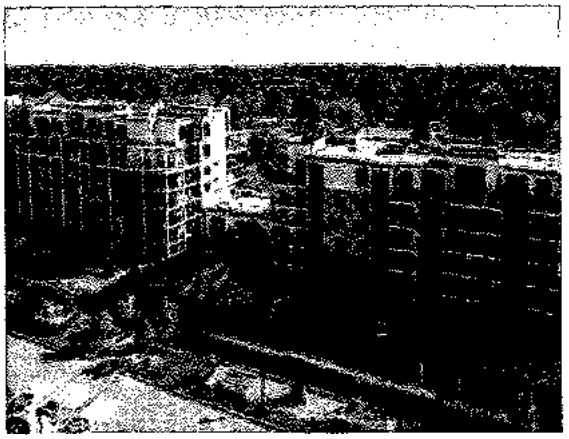
Valuation Methodology

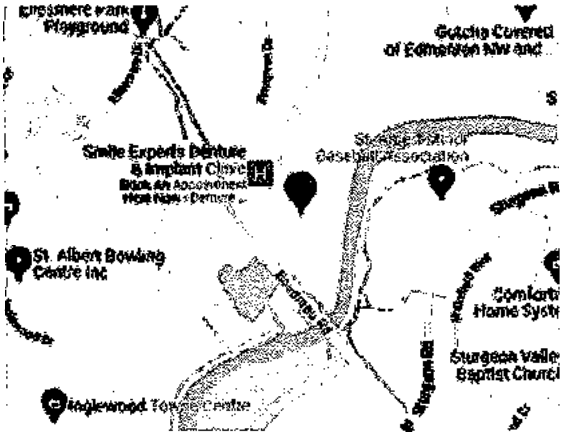
In order to determine the value of the units, the Direct Comparison Approach was used. The Direct Comparison Approach is based on the Principle of Substitution, which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property that exhibits similar physical characteristics, location, etc. Within this approach, the property being appraised is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject. Typically, a unit of comparison (i.e. price per square foot, price per unit, price per acre) is used to facilitate the analysis. In the case of individual multi-family units similar to those within Careadon Village, the sale price per square foot is the most commonly used unit of comparison.

The following pages detail sales information on five multi-family condominium buildings that were considered to be relatively similar to Careadon Village. There are other condominium buildings that were investigated for this appraisal (information of which is retained on file) but due to their older construction date or difference in quality, were not considered to provide the best comparable information for this report. Only sales since January 2021 were considered within this report due to changing market conditions in Alberta over a longer time frame.

Index One – Botanica

200 Bellerose Drive, St. Albert, Alberta





Property Description

Property Type	Residential Condominium
Property Sub-Type	Mid-Rise Building
Construction	Concrete Frame
Year Built	2018
Number of Units	127
Amenities	Gym, common room, rooftop
Storeys	Six
Parking	Underground parkade

Location / Land Use / Legal

Address	200 Bellerose Drive
Municipality	St. Albert
Province	Alberta
Neighbourhood	Oakmont
Condominium Plan	1623440
Zoning/Land Use	R4 (High Density Residential)
Elevator	Yes
Condition	Very Good

Sample Transaction Details

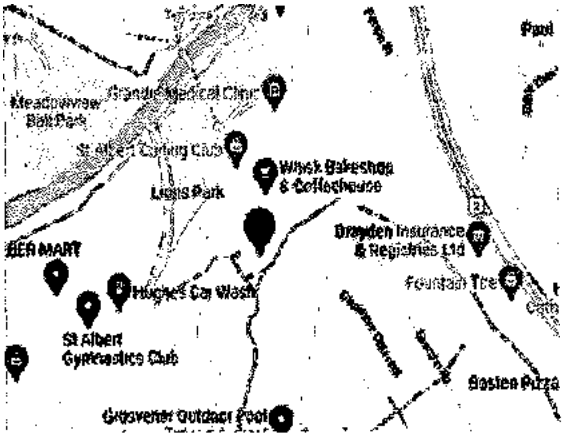
Legal Unit	Sale Date	Bedrooms	Size	Price	Price/SF
Units 131 & 236	October 2021	Two	1,745 SF	$780,000	$447/SF
Units 130 & 138	August 2022	Two	1,222 SF	$530,000	$434/SF
Units 100 & 302	November 2022	Two	1,349 SF	$768,500	$570/SF
Units 91 & 243	October 2022	Two	1,022 SF	$480,000	$470/SF
Unit 10 & 77 & 297	April 2021	Two	1,020 SF	$420,000	$412/SF

Comments

- Located a short distance to the north of Careadon Village adjacent to an upscale shopping centre.
- No age restrictions. Handicapped access. Heated underground parkade.
- Average level of common area amenities for a typical condominium building.
- Large unit sizes. Unit values tend to decline as unit size increases.
- Mildly older than the subject property but very well maintained.

Index Two - Grandin Parc Village

5 St. Louis Street, St. Albert, Alberta



Property Description

Property Type	Residential Condominium
Property Sub-Type	Mid-Rise Building
Construction	Concrete
Year Built	2016
Number of Units	91
Amenities	Common room, gym, office
Storeys	Five
Parking	Underground parkade

Location / Land Use / Legal

Address	72 Quigley Drive
Municipality	St. Albert
Province	Alberta
Neighbourhood	Downtown
Condominium Plan	1624279
Zoning/Land Use	DCMU (Direct Control Mixed)
Elevator	Yes
Condition	Very Good

Sample Transaction Details

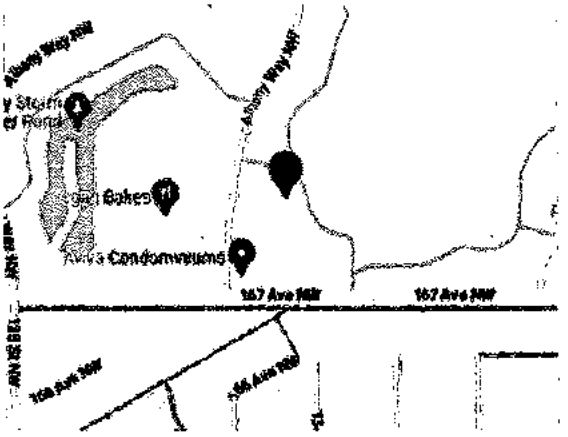
Legal Unit	Sale Date	Bedrooms	Size	Price	Price/SF
Unit 52	April 2022	Two	1,133 SF	$340,000	$300/SF
Units 74	June 2022	Two	1,225 SF	$311,500	$254/SF
Unit 48	October 2022	One	692 SF	$209,000	$302/SF
Unit 37	October 2022	Two	1,144 SF	$312,500	$273/SF
Unit 19	February 2023	One	657 SF	$199,500	$304/SF

Comments

- Located along the fringe of Downtown St. Albert near to recreational and commercial amenities.
- Conventional condominium amenities and heated underground parkade.
- Attractive appearance and non-combustible construction.
- Average sized units. Unit values tend to decline as unit size increases.
- Mildly older than the subject property but very well maintained.

Index Three - Aviva Condominium

507 Albany Way NW, Edmonton, Alberta



Property Description

Property Type	Residential Condominium
Property Sub-Type	Mid-Rise Building
Construction	Concrete
Year Built	2014
Number of Units	57
Amenities	Gym, common room
Storeys	Four
Parking	Underground parkade

Location / Land Use / Legal

Address	507 Albany Way NW
Municipality	Edmonton
Province	Alberta
Neighbourhood	Albany
Condominium Plan	1424070
Zoning/Land Use	RA7 (Low Rise Apartments)
Elevator	Yes
Condition	Good

Sample Transaction Details

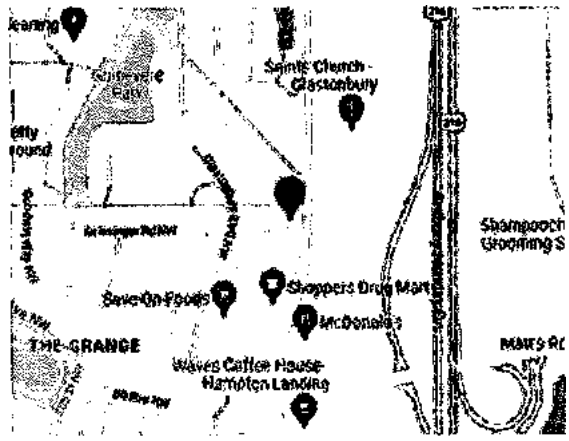
Legal Unit	Sale Date	Bedrooms	Size	Price	Price/SF
Unit 83	November 2022	Two	1,091 SF	$290,000	$266/SF
Unit 82	September 2022	Two	1,089 SF	$277,000	$254/SF
Unit 26	September 2022	Two	1,090 SF	$251,000	$230/SF
Units 45 & 54	August 2022	Two	1,877 SF	$217,000	$116/SF
Unit 69	June 2021	Two	1,090 SF	$273,000	$250/SF

Comments

- Located within a peripheral neighbourhood of the City of Edmonton a short distance southeast of the subject.
- Heated underground parkade. Conventional amenities for a normal condominium building.
- All ages welcome. Close to greenspace, schools, and commercial amenities.
- Relatively large unit sizes. Unit values tend to decline as unit size increases.
- Mildly older than the subject property but very well maintained.

Index Four - Glastonbury Village

1585 Glastonbury Boulevard NW, Edmonton, Alberta



Property Description

Property Type	Residential Condominium
Property Sub-Type	Walk-Up Building
Construction	Wood Frame
Year Built	2007
Number of Units	60
Amenities	Library, dining room, pub
Storeys	Four
Parking	Underground parkade

Location / Land Use / Legal

Address	1585 Glastonbury Boulevard
Municipality	Edmonton
Province	Alberta
Neighbourhood	Glastonbury
Condominium Plan	0740899
Zoning/Land Use	RA7 (Low Rise Apartments)
Elevator	Yes
Condition	Good

Sample Transaction Details

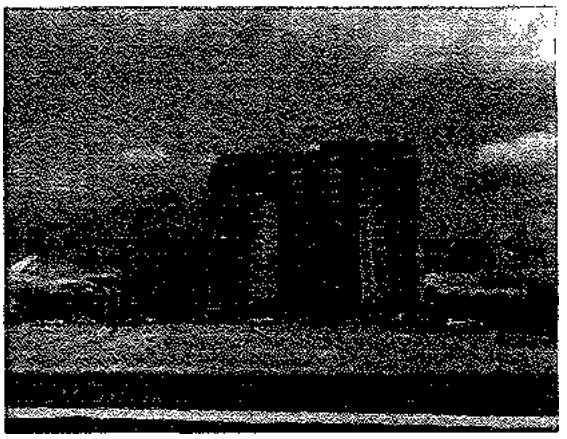
Legal Unit	Sale Date	Bedrooms	Size	Price	Price/SF
Units 63 & 95	September 2022	Two	920 SF	$250,000	$272/SF
Units 11 & 72	October 2022	Two	1,055 SF	$192,000	$182/SF
Units 19 & 138	October 2021	Two	920 SF	$185,000	$201/SF
Units 6 & 96 & 126	March 2022	Two	916 SF	$205,000	$224/SF
Units 10 & 114	April 2021	Two	1,052 SF	$190,000	$181/SF

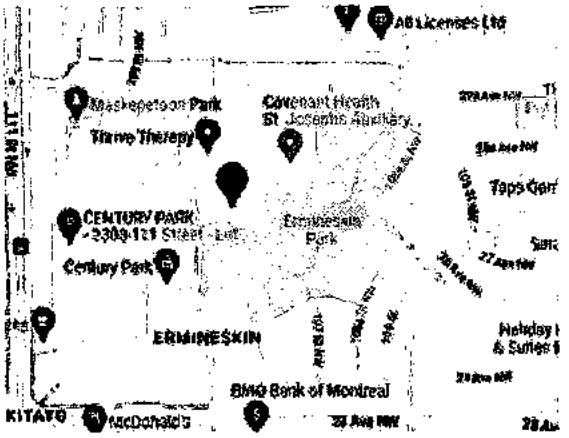
Comments

- Located in Southwest Edmonton within an expanding mixed-use area.
- Contains a mix of owner units, rental, and life-lease options.
- Average level of common area amenities and design features.
- Relatively large unit sizes. Unit values tend to decline as unit size increases.
- Older and lesser quality compared to the subject property but well maintained.

Index Five - Shepherd's Gardens Heritage

2755 - 109 Street NW, Edmonton, Alberta





Property Description

Property Type	Residential Condominium
Property Sub-Type	High Rise Building
Construction	Concrete
Year Built	2016
Number of Units	136
Amenities	Social room, gym, dining room
Storeys	Fifteen
Parking	Underground parkade

Location / Land Use / Legal

Address	2755 - 109 Street NW
Municipality	Edmonton
Province	Alberta
Neighbourhood	Ermineskin
Condominium Plan	1623512
Zoning/Land Use	RA9 (High Rise Apartments)
Elevator	Yes
Condition	Very Good

Sample Transaction Details

Legal Unit	Sale Date	Bedrooms	Size	Price	Price/SF
Units 42 & 294 & 429	August 2022	Two	1,065 SF	$365,000	$343/SF
Units 39 & 174 & 365	March 2022	Two	902 SF	$315,000	$349/SF
Units 48 & 256 & 373	May 2022	Two	1,179 SF	$370,000	$314/SF
Units 12 & 278	August 2022	Two	910 SF	$270,000	$297/SF
Units 25 & 173	June 2021	Two	850 SF	$337,500	$397/SF

Comments

- Located in an established area of South Edmonton near an LRT station and major shopping amenities.
- Seniors building. Good range of common area amenities. Range of care options.
- Concrete building. Attractive appearance and design. Ample parking available.
- Relatively large unit sizes. Unit values tend to decline as unit size increases.
- Mildly older than the subject property but very well maintained.

Unit Value Conclusion

The following positive attributes are noted for the subject units as marketed for Life Lease compared to the condominium index sales.

- Seniors-oriented building has greater appeal than a building with mixed-age occupancy.
- Access to significant services/amenities under the same roof.
- New building that will be in excellent condition once completed.
- Appealing neighbourhood near commercial amenities and greenspace.
- Assumed to be sold with a parking stall (inside or outside).

The following negative attributes are noted for the subject units as marketed for Life Lease compared to the condominium index sales.

- Relatively large units. Prices per square foot tend to decrease as unit size increases.
- Complexity of Life Lease agreement may deter some seniors.
- Lesser form of ownership and control than conventional Fee Simple condominium ownership.
- New Home Warranty Program not available for Life Lease buildings.

In recognition of all these factors, an estimated unit value range of $440 to $470 per square foot is judged to be achievable for the subject units. These values include one parking stall per unit. Applying these unit values to the suites sizes results in the following calculations.

Sales Values - Careadon Village

Unit Type	Units	Average Size	Sale Rate	Total Sales
One Bedroom Suites	11	783 SF	$470/SF	$4,048,110
One Bedroom + Den Suites	38	898 SF	$460/SF	$15,697,040
Two Bedroom Suites	108	1,080 SF	$450/SF	$52,488,000
Two Bedroom + Den Suites	7	1,173 SF	$440/SF	$3,612,840
Totals	**164**	**1,022 SF**	**$452.52/SF**	**$75,845,990**

These calculations therefore provide a preliminary total of $75,845,990. Subtracted from this total are marketing and closing costs (sales commissions, marketing expenses, legal fees, financing costs, etc.). These have been included herein at 3.0% of total gross proceeds from the entrance fees for the Life Lease units. This implies soft costs of $2,275,380 ($75,845,990 x 3%). Subtracting these costs from the preliminary value of $75,845,990 implies net proceeds for the project at $73,570,610.

However, there would not be a total sellout of the building on the first day of the marketing campaign. In fact, a 36-month absorption period was estimated earlier within this appraisal, implying that the units would

be sold over the forthcoming three years. Dividing the sales into three separate years, and including a discount rate of 8.75% as estimated in the Discounted Cash Flow section of this report, implies the following present values.

- Year One Sales: $24,523,537 (no present value discount).
- Year Two Sales: $24,523,537 discounted by 1.0875 = $22,550,379.
- Year Three Sales: $24,523,537 discounted by 1.182656 = $20,735,985.

This produces a value of $67,809,901, rounded to $67,810,000. Again, no operational profits at the property are assumed to accrue to a future owner and thus no additional value is warranted. Should an income stream be desired by a developer, a discount to the residential sales values would be required because the majority of property purchasers behave in a rational manner and competing properties are located throughout the Metro Edmonton area.

Summary - Life Lease Valuation

In summary, the market value of Careadon Village as if fully constructed and sold as a Life Lease property as at February 22, 2023 is estimated to be $67,810,000.

Reconciliation and Final Estimate of Value

The purpose of this appraisal is to estimate the market value of the seniors residence known as Careadon Village. Careadon Village is located at 2 Inglewood Drive in St. Albert, Alberta and is legally described as Plan 1623283, Block 1, Lot 4A. Since this report contains Extraordinary Assumptions regarding the completion and lease-up of the property, it is not an "as is" appraisal.

The property rights appraised are those of the Fee Simple Estate Interest as a Going Concern. The Effective Date of this valuation is February 22, 2023. The only intended use of this report is for internal accounting purposes. The only intended user is UMC Financial Management Inc. All other uses and users of this report are strictly forbidden.

This appraisal concluded with the following market values.

Value by the Income Approach - Overall Income Capitalization:	**$ 76,950,000**
Value by the Income Approach - Discounted Cash Flow Analysis:	**$ 76,760,000**
Value by the Direct Comparison Approach:	**$ 77,080,000**

The majority of seniors residences in Canada are purchased as investment properties by investment companies that are most interested in the income-generating potential of the property as opposed to its specific physical and locational qualities or its cost to replace. This type of purchaser would therefore formulate offer prices based upon the Income Approach rather than the Direct Comparison Approach or Cost Approach, suggesting that this is the most credible method of analysis. The Overall Income Capitalization technique is the predominant Income Approach used for seniors residences and has therefore been provided with a 70% weighting in the reconciliation. Since some purchasers would also project longer-term cash flows for the property in order to establish value, the Discounted Cash Flow Analysis was also allotted a 10% weighting in the reconciliation.

The Direct Comparison Approach, which values physical units of comparison, is sometimes referenced as a secondary measure of value for seniors residences. It is common practice for seniors residence vendors, purchasers, and consultants to speak of values based upon a price per unit and many decisions are based in part upon this standard of measure. It has therefore been provided with a 20% weighting within the value reconciliation for Careadon Village.

The Cost Approach is not usually considered by market participants for seniors residences. Vendors and purchasers of such real estate are most concerned with its income generating potential, not with depreciated replacement cost, in order to determine sale prices. This is true even with newly constructed facilities. The inapplicability of the Cost Approach is further exacerbated by the difficulties in estimating such items as functional obsolescence, economic depreciation, and developer's profit. All of these factors can have a major effect on value but cannot be accurately estimated by quantitative measures. As such, it

would be a significant error to provide any market value weighting to the Cost Approach within the Reconciliation of this report. Any "reasonable appraiser" should therefore omit this valuation technique from an appraisal of a seniors residence.

Based on the foregoing, it is our opinion that the market value of Careadon Village as if fully constructed and operating at stabilized levels as of February 22, 2023 is:

Seventy Six Million Nine Hundred Sixty Thousand Dollars
$76,960,000

Careadon Village as a Life Lease property was also appraised and it was concluded that the value of the property under this scenario is $67,810,000. The above value estimate is predicated on an Exposure Time of nine months and assumes that the hypothetical sale is based on conventional financing. Numerous other Assumptions and Limiting Conditions are relevant to this estimate and are included in the Terms of Reference to this report.

Certification

Re: Careadon Village
2 Inglewood Drive, St. Albert, Alberta
Plan 1623283, Block 1, Lot 4A

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the Report Assumptions. They are my impartial and unbiased professional analyses, opinions, and conclusions.
- I have no past, present, or prospective interest in the property that is the subject of this report and no personal or professional interest or conflict with respect to the parties involved with this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement and compensation for this appraisal were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
- I have the knowledge and experience to complete this assignment competently.
- Brandon Simmelink, who is on my Candidate Registry at the Appraisal Institute of Canada, has provided professional assistance to me in the preparation of this appraisal.
- As of the date of this report, I have fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program.
- I am a member in good standing with the Appraisal Institute of Canada. My membership number is 800121.
- Brandon Simmelink made a personal site visit to the subject property on February 22, 2023.
- My digital signature is password protected with Adobe Acrobat.

Final Estimate of Value

Based upon the data, analyses, and conclusions contained herein, the market value of the Fee Simple Estate Interest as a Going Concern of Careadon Village as of February 22, 2023 is estimated at $76,960,000 subject to the Report Assumptions detailed within this appraisal.

Perry Gereluk, B. Comm., AACI, MRICS, LEED AP
Vice President

Report Date: March 14, 2023

Appendix

Appendix A **Title Documents**

Appendix B **Land Use Bylaw Excerpt**

Appendix C **Discounted Cash Flow Analysis Results**

Appendix D **Qualifications of the Appraiser**

APPENDIX A

TITLE DOCUMENTS

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0037 310 951	1623203;1;4A	162 250 971

LEGAL DESCRIPTION

DESCRIPTIVE PLAN 1623203
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

AFS REFERENCE: 4;25;54;30;RL
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF ST. ALBERT

REFERENCE NUMBER: 152 356 496 +1
152 356 496

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
162 250 971	10/09/2016	DESCRIPTIVE PLAN		

OWNERS

CAREADON CORP.
OF 166 WESTRIDGE RD
EDMONTON
ALBERTA T5T 1B8

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
122 205 468	27/06/2012	CAVEAT RE : EASEMENT * AFFECTS PART OF THIS TITLE *
152 356 497	17/11/2015	MORTGAGE MORTGAGEE - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
162 250 971

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		EDMONTON ALBERTA T5L4M8 ORIGINAL PRINCIPAL AMOUNT: $30,000,000
152 356 498	17/11/2015	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - UMC FINANCIAL MANAGEMENT INC. SUITE 201, 14020-128 AVE NW EDMONTON ALBERTA T5L4M8 AGENT - BRUCE G NEILL
192 050 766	04/03/2019	AMENDING AGREEMENT AMOUNT: $37,835,000 AFFECTS INSTRUMENT: 152356497
192 066 688	20/03/2019	CAVEAT RE : ACCESS CAVEATOR - CAREADON CORP. 3200, 10180 101 STREET NW EDMONTON ALBERTA T5J3W8
192 184 984	06/06/2019	AMENDING AGREEMENT AMOUNT: $45,475,000 AFFECTS INSTRUMENT: 152356497
192 304 464	16/12/2019	AMENDING AGREEMENT AMOUNT: $51,540,170 AFFECTS INSTRUMENT: 152356497
212 131 361	14/06/2021	MORTGAGE MORTGAGEE - HMT HOLDINGS INC. 36 TORONTO STREET, SUITE 500 TORONTO ONTARIO M5C2C5 ORIGINAL PRINCIPAL AMOUNT: $18,700,000
212 131 362	14/06/2021	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - HMT HOLDINGS INC. SUITE 500, 36 TORONTO STREET TORONTO ONTARIO M5C2C5 AGENT - ERIC P VAILLANT
212 131 363	14/06/2021	POSTPONEMENT OF MORT 152356497 CAVE 152356498 AMRA 192050766 AMRA 192184984 AMRA 192304464

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		TO MORT 212131361 CAVE 212131362
212 131 364	14/06/2021	AMENDING AGREEMENT AFFECTS INSTRUMENT: 152356497
222 151 931	07/07/2022	AMENDING AGREEMENT AMOUNT: $65,000,000 AFFECTS INSTRUMENT: 152356497

TOTAL INSTRUMENTS: 012

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 15 DAY OF FEBRUARY, 2023 AT 11:26 A.M.

ORDER NUMBER: 46505061

CUSTOMER FILE NUMBER:

END OF CERTIFICATE

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

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

APPENDIX B

LAND USE BYLAW EXCERPT

Section 8.34 High Density Residential (R4) Land Use District
(BL 4/2006, BL 22/2020)

(1) Application

This section applies to the District designated as High Density Residential (R4) on the Land Use District Map, Schedule A, of this Bylaw. **(BL 22/2020)**

(2) Purpose

The purpose of the High Density Residential District is to provide an area for higher density residential development. **(BL 22/2020)**

(3) Permitted Land Uses

The following are permitted uses:

(a) apartment building.

(b) Deleted **(BL2/2016, BL 22/2020)**

(4) Discretionary Land Uses

The following are discretionary uses:

~~family day home~~; **(BL2/2016)**

(a) home occupation;

(b) long term care housing;

(c) residential sales centre;

(d) show home;

(e) supportive housing;

(e.1) townhousing; **(BL16/2016, BL2/2016, BL 22/2020)**

(f) the following uses if they are accessory to an apartment building use and integrated within the lower level(s) of the building:

(i) art gallery;

(ii) convenience store;

(iii) day care facility;

~~family day home~~; **(BL2/2016)**

(iv) general retail store;

(v) general service; **(BL2/2016)**

(vi) health service **(BL32/2013)**

(vii) restaurant;

(viii) specialty store; and

(g) accessory developments to any use listed in subsections (3) and (4).

(5) **Lot Area**

The minimum lot area is 0.075 ha, excluding street-oriented townhousing. **(BL2/2018)**

(6) **Frontage**

The minimum lot frontage is 25 m. **(BL2/2018)**

(7) **Site Density (BL2/2018)**

(a) The minimum site density for the site is 94 dwelling units per ha and cannot exceed a maximum of 141 dwelling units per ha.

(b) For the purpose of calculating the site area, 27.5 sq. m may be added to the lot area for every parking stall which is constructed underground or under a dwelling at finished grade if the Development Officer considers this to be appropriate given site constraints.

(8) **Site Density Bonus (BL2/2018)**

(a) Notwithstanding clause (7), the maximum site density may exceed 141 dwelling units per ha if, in the opinion of the Development Officer, given site constraints, the following criteria related to higher quality site design, energy efficiency, sustainable building features or aesthetics are provided:

(i) a minimum of 75% of required parking stalls are provided underground, or within a parkade structure integrated within the building including high quality exterior finishing that matches or complements the principal building exterior; where site design permits, and

(ii) a minimum of 1.5 sq. m of indoor or outdoor common amenity area per dwelling unit, not located in any required setback, and aggregated into areas of not less than 30 sq. m in addition to private amenity area requirements; and

(iii) at least two of the following site improvements:

(A) wider sidewalks or walkways internal to the site, together with street furniture to the satisfaction of the Development Officer;

(B) enhanced landscaping;

(C) landscaping that is drought tolerant, reducing the need for irrigation; or

(D) green building products or technologies that reduce the carbon footprint or increase energy efficiency.

(b) For any development that contains a building in excess of 20 m in height and/or densities greater than 141 dwelling units per ha, and/or sites greater than 1.5 ha, the Development Officer may impose any of the following requirements in addition to the requirements of clause (8)(a):

(i) non-residential land uses, as outlined in Section 8.34(4)(f);

(ii) a distinct building base or podium, a minimum of three (3) storeys in height, with a 3 m minimum stepback provided for upper floors, measured from the building face of the lower storeys, with consideration for the transitions between adjacent building designs and heights;

(iii) orientation of the building to face the public roadway with a reduced front yard setback to create a continuous ground level street front;

(iv) highly visible direct entrances to ground floor commercial uses to help promote a pedestrian oriented streetscape and commercial activity adjacent to the street and sidewalk;

(v) accessible transit shelters together with convenient, barrier-free pedestrian connections between transit zones and the development; or

(vi) an outdoor common amenity area of not less than 90 sq. m for building residents.

(9) Visitor Parking Bonus

Notwithstanding the requirements of Section 7.3 of this Bylaw, for any development that employs four (4) or more of the criteria identified in Section 8.34(8) hereof, the minimum visitor parking requirement may be reduced at the discretion of the Development Officer but shall not be less than a ratio of 1 parking stall per 7 dwelling units. **(BL2/2018)**

(10) Landscaping

(a) In addition to the requirements under Section 6.14, the Development Officer may require additional landscaping or fencing between:

(i) the exterior wall of any habitable room and the closest edge of an on-site roadway or parking space; and

(ii) the property line and the closest edge of an on-site roadway or parking space.

(b) A development located adjacent to a major roadway listed in Schedule B **(BL6/2021)** must have a berm and fencing to the satisfaction of the Development Officer.

(c) For the berm under clause (b), planting requirements shall be determined by the Development Officer taking into consideration site characteristics and this Bylaw.

(11) Lot Coverage (BL2/2018)

(a) For the maximum lot coverage for street-oriented townhousing, refer to Section 8.29.

(b) The maximum lot coverage for any other development shall be determined by the Development Officer after taking into account site density, accessory buildings, and site constraints.

(12) Building Height

(a) The maximum building height of a principal building is 25 m. **(BL2/2018)**

(b) Notwithstanding clause (a), at the discretion of the Development Officer the maximum building height may be increased up to 35 m subject to the provisions of Section 8.34(8) of this Bylaw. **(BL2/2018)**

(c) For any building that is proposed to exceed 20 m in height, a building height impact assessment, prepared by a registered Architect or Professional Engineer, shall be required. The assessment shall address the shading impact of the proposed building on adjacent properties and buildings and where applicable, the impact of glare and noise reverberation associated with façades that are to contain a substantial proportion of glass. **(BL2/2018)**

(13) Building Setbacks

(a) The minimum front yard setback is 6 m.

(b) The minimum side yard building setback is 5 m, unless otherwise determined by the Development Officer taking into account adjacent uses and on-site constraints.

(c) The minimum rear yard setback is 7.5 m. **(BL2/2018)**

(d) Notwithstanding the requirements of Section 8.2, the minimum building setback for an accessory building is 3 m. **(BL2/2018)**

(e) For developments subject to the site density bonus of Section 8.34(8) of this Bylaw, the Development Officer may determine the minimum building setbacks taking into account adjacent uses. **(BL2/2018)**

(f) For an underground parking structure below finished grade, a lessor building setback may be permitted if the Development Officer considers this to be appropriate given site constraints. **(BL2/2018)**

(g) For the minimum building setback for townhousing, refer to Section 8.29. **(BL4/2022)**

Section 8.34 High Density Residential (R4) Land Use District (BL/2005, BL 22/2020)

(14) Location of Buildings

(a) For the minimum separation distances for apartment buildings, refer to Section 8.6. **(BL2/2018)**

(b) For the minimum separation distances for townhousing, refer to Section 8.29. **(BL2/2018)**

(15) Attached Garage or Carport (BL2/2018)

An attached garage or carport must comply with the building setback and separation distance requirements that apply to a principal building.

(16) Townhousing Parking and Vehicular Access (BL2/2018)

(a) Driveways and vehicular access for townhousing development shall only be provided from lane or common internal roadway.

(b) Surface parking must not encroach into any required front yard setback.

APPENDIX C

DISCOUNTED CASH FLOW ANALYSIS RESULTS

Property Summary
Careadon Village (Amounts in CAD, Measures in SF)
Apr, 2023 through Mar, 2034

Property Information	
Property Name	Careadon Village
Property ID #	
Address	2 Inglewood Drive
City, State	St. Albert, Alberta
Property Type	Office
Building Area	0 SF
Analysis Begin Date	Apr, 2023
Length of Analysis	10 Years 0 Months
General Inflation	2.50%
Market Inflation	2.50%
Expense Inflation	2.50%
CPI Inflation	2.50%
General Vacancy Rate	7.50%
Credit Loss Rate	0.00%
Occupancy (Year End)	0.00%
Occupancy (Average)	0.00%
W A L E (Area)	
W A L E (Rent)	50 Years

Summary Cash Flow (Year 1)	Amount	Per SF
Potential Gross Revenue	$8,311,429	$0.00
Vacancy & Adjustments	-530,789	0.00
Effective Gross Revenue	7,780,641	0.00
Operating Expenses	-2,586,546	0.00
Ground Lease Expenses	0	0.00
Net Operating Income	5,194,095	0.00
Leasing & Capital Costs	0	0.00
Cash Flow Before Debt Service	5,194,095	0.00
Debt Service	0	0.00
Cash Flow After Debt Service	$5,194,095	$0.00

* Results displayed are based on Forecast data only

Colliers

Property Summary

Purchase & Investment	
Purchase Price	$0
Closing Costs (N/A)	$0
Total Purchase Price	$0
Less Debt Amount (N/A)	$0
Loan Costs	$0
Equity	$0

Valuation & Yield	
Discount Rate	8.75%
Unleveraged PV	$76,763,345
Cap Rate	7.25%
Gross Income Multiplier	N/A
Property Resale(Mar, 2033)	$91,708,694
Direct Cap Rate	6.75%
Direct Cap Value	$76,949,551
Unleveraged IRR	N/A
Recommended Hold End	N/A
IRR for Recommended Hold	
Breakeven Date	Apr, 2023
NOI Yield	0.00%
Cash On Cash Yield	N/A

Debt Financing		
Loan Begins		
Amount		
Interest Rate		
Term		
Payment		
Loan Costs		
Additional Loans	0	$0
Loan to Present Value		0.00%
Debt Coverage		0

Cash Flow

Careadon Village (Amounts in CAD)
Apr, 2023 through Mar, 2034
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For the Years Ending	Year 1 Mar-2024	Year 2 Mar-2025	Year 3 Mar-2026	Year 4 Mar-2027	Year 5 Mar-2028	Year 6 Mar-2029
Rental Revenue						
Potential Base Rent	7,077,180	7,254,110	7,435,462	7,621,349	7,811,883	8,007,180
Scheduled Base Rent	7,077,180	7,254,110	7,435,462	7,621,349	7,811,883	8,007,180
Total Rental Revenue	7,077,180	7,254,110	7,435,462	7,621,349	7,811,883	8,007,180
Total Tenant Revenue	7,077,180	7,254,110	7,435,462	7,621,349	7,811,883	8,007,180
Other Revenue						
Additional Occupancy	223,200	228,780	234,500	240,362	246,371	252,530
Parking	132,000	135,300	138,683	142,150	145,703	149,346
Dining	496,854	509,275	522,007	535,057	548,434	562,145
Housekeeping	152,878	156,700	160,617	164,633	168,749	172,967
Phone and Internet	152,878	156,700	160,617	164,633	168,749	172,967
Miscellaneous	76,439	78,350	80,309	82,316	84,374	86,484
Total Other Revenue	1,234,249	1,265,105	1,296,733	1,329,151	1,362,380	1,396,439
Potential Gross Revenue	8,311,429	8,519,215	8,732,195	8,950,500	9,174,262	9,403,619
Vacancy & Credit Loss						
Vacancy Allowance	-530,789	-544,058	-557,660	-571,601	-585,891	-600,538
Total Vacancy & Credit Loss	-530,789	-544,058	-557,660	-571,601	-585,891	-600,538
Effective Gross Revenue	7,780,641	7,975,157	8,174,535	8,378,899	8,588,371	8,803,081
Operating Expenses						
Salaries and Wages	687,951	705,150	722,779	740,848	759,369	778,353
Salaries and Wages Benefits	103,193	105,773	108,417	111,128	113,906	116,753
Dining Services	267,537	274,225	281,081	288,108	295,311	302,694
Supplies	57,329	58,762	60,231	61,737	63,280	64,863
Administration	38,903	39,876	40,873	41,894	42,942	44,015
Advertising	41,000	42,025	43,076	44,153	45,256	46,388
Repairs and Maintenance	210,207	215,462	220,849	226,370	232,029	237,830
Utilities	295,200	302,580	310,145	317,898	325,846	333,992
Insurance	49,200	50,430	51,691	52,983	54,308	55,665
Property Taxes	524,800	537,920	551,368	565,152	579,281	593,763
Management	311,226	319,006	326,981	335,156	343,535	352,123
Total Operating Expenses	2,586,546	2,651,209	2,717,490	2,785,427	2,855,063	2,926,439
Net Operating Income	5,194,095	5,323,947	5,457,046	5,593,472	5,733,309	5,876,641
Cash Flow Before Debt Service	5,194,095	5,323,947	5,457,046	5,593,472	5,733,309	5,876,641
Cash Flow Available for Distribution	5,194,095	5,323,947	5,457,046	5,593,472	5,733,309	5,876,641

Cash Flow

Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Year 7 Mar-2030	Year 8 Mar-2031	Year 9 Mar-2032	Year 10 Mar-2033	Year 11 Mar-2034	Total
8,207,359	8,412,543	8,622,857	8,838,428	9,059,389	88,347,738
8,207,359	8,412,543	8,622,857	8,838,428	9,059,389	88,347,738
8,207,359	8,412,543	8,622,857	8,838,428	9,059,389	88,347,738
8,207,359	8,412,543	8,622,857	8,838,428	9,059,389	88,347,738
258,844	265,315	271,948	278,746	285,715	2,786,310
153,080	156,907	160,829	164,850	168,971	1,647,818
576,198	590,603	605,368	620,503	636,015	6,202,460
177,292	181,724	186,267	190,924	195,697	1,908,447
177,292	181,724	186,267	190,924	195,697	1,908,447
88,846	90,862	93,133	95,462	97,848	954,224
1,431,350	1,467,134	1,503,813	1,541,408	1,579,943	15,407,706
9,638,710	9,879,677	10,126,669	10,379,836	10,639,332	103,755,444
-615,552	-630,941	-646,714	-662,882	-679,454	-6,626,080
-615,552	-630,941	-646,714	-662,882	-679,454	-6,626,080
9,023,158	9,248,737	9,479,955	9,716,954	9,959,878	97,129,364
797,812	817,758	838,201	859,157	880,635	8,588,613
119,672	122,664	125,731	128,874	132,096	1,288,206
310,261	318,017	325,968	334,117	342,470	3,339,789
66,484	68,146	69,850	71,596	73,386	715,665
45,116	46,244	47,400	48,585	49,799	485,647
47,947	48,736	49,955	51,203	52,483	511,822
243,776	249,870	256,117	262,520	269,083	2,624,112
342,341	350,900	359,673	368,664	377,881	3,685,119
57,057	58,483	59,945	61,444	62,980	614,187
608,607	623,822	639,418	655,403	671,788	6,551,323
360,926	369,949	379,198	388,678	398,395	3,885,175
2,999,600	3,074,590	3,151,455	3,230,241	3,310,997	32,289,058
6,023,557	6,174,146	6,328,500	6,486,713	6,648,880	64,840,306
6,023,557	6,174,146	6,328,500	6,486,713	6,648,880	64,840,306
6,023,557	6,174,146	6,328,500	6,486,713	6,648,880	64,840,306

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Value Matrix Report

Careadon Village (Amounts in CAD)
3/10/2023 10:31:12 AM

Key Valuation Policies	
Valuation (PV/IRR) Date:	April, 2023
Date of Sale:	March, 2033
Discount Method:	Annual
Period to Cap (at Sale):	12 Months After Sale

Value Matrix						
Table Group:	1) Unleveraged PV's	1) Net Sale Price 2) Exit Cap Rate				
	2) Unleveraged PV's $/SF	98,501,931	94,904,695	91,708,894	88,851,738	85,792,004
	3) Going In Cap. Rates	6.75%	7.00%	7.25%	7.50%	7.75%
1) Cash Flow Discount Rate	6.25%	82,578,580	80,896,344	79,503,916	78,128,317	76,825,983
2) Resale Discount Rate	6.25%	0.00	0.00	0.00	0.00	0.00
		6.25%	6.41%	6.53%	6.65%	6.76%
	6.50%	81,122,499	79,566,571	78,117,949	76,766,902	75,501,084
	6.50%	0.00	0.00	0.00	0.00	0.00
		6.40%	6.53%	6.65%	6.77%	6.88%
	6.75%	79,699,535	78,179,008	76,763,345	75,442,060	74,206,019
	6.75%	0.00	0.00	0.00	0.00	0.00
		6.52%	6.64%	6.77%	6.88%	7.00%
	7.00%	78,308,830	76,822,820	75,439,294	74,148,002	72,940,020
	7.00%	0.00	0.00	0.00	0.00	0.00
		6.63%	6.76%	6.89%	7.01%	7.12%
	7.25%	76,949,551	75,497,198	74,145,067	72,882,962	71,702,339
	7.25%	0.00	0.00	0.00	0.00	0.00
		6.75%	6.88%	7.01%	7.13%	7.24%

Value Price Calculation					
NOI To Capitalize	6,648,880	6,648,880	6,648,880	6,648,880	6,648,880
Divided by Cap Rate	6.75%	7.00%	7.25%	7.50%	7.75%
Gross Sales Price	98,501,931	94,984,695	91,708,894	88,851,738	85,792,004
Adjustments to Sale	0	0	0	0	0
Adjusted Gross Sales Price	98,501,931	94,984,695	91,708,894	88,851,738	85,792,004
Cost of Sale	0	0	0	0	0
Net Sale Price	98,501,931	94,984,695	91,708,894	88,851,738	85,792,004

* Results displayed are based on Forecast data only

APPENDIX D

QUALIFICATIONS OF THE APPRAISER

QUALIFICATIONS OF THE APPRAISER

Perry Gereluk, B. Comm., AACI, MRICS, LEED AP
Vice President
Colliers International Realty Advisors Inc.

Academic Qualifications

Mr. Gereluk received his Bachelor of Commerce Degree from the University of Alberta in 1993. He became an accredited member of the Appraisal Institute of Canada (AACI) after obtaining all academic and articling requirements in 1999. In July 2008, he was awarded his MRICS from the Royal Institution of Chartered Surveyors.

Membership in Professional Real Estate Organizations

Mr. Gereluk is currently a fee-appraising member of the Appraisal Institute of Canada. He is also a licensed Real Estate Associate with the Alberta Real Estate Association. In July 2008, he became a member of the Canada Green Building Council. In April 2009 he completed all necessary requirements and achieved his LEED Accredited Professional Designation.

Pertinent Practical Experience

Mr. Gereluk joined Colliers Macaulay Nicolls Inc. in 1994 as a Property Administrator. Later that year, he moved to the Appraisal Division to manage research, economic, and market data analysis in the Edmonton office. Since 1997, he has completed appraisal and consulting assignments across Western Canada on more than $40 billion worth of real estate from a variety of government, local, national, and international clientele.

Mandatory Recertification Program

The Appraisal Institute of Canada has a mandatory Recertification Program for designated members. As of the date of this report, Perry Gereluk has completed the requirements of this program.