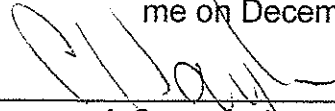


This is exhibit A referred to in the affidavit of JOHN KENNETH PURDY sworn before
me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta

Conan J. Taylor

PRINT NAME AND EXPIRY/LAWYER



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0011 058 997 8520616;1;1 042 322 284

LEGAL DESCRIPTION
PLAN 8520616
BLOCK 1
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 89.2 HECTARES (220.42 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;2;53;13;N

MUNICIPALITY: PARKLAND COUNTY

REFERENCE NUMBER: 912 284 096

REGISTERED OWNER(S)				
REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
042 322 284	04/08/2004	TRANSFER OF LAND	\$1,500,000	\$1,500,000

OWNERS

LAKE EDEN PROJECTS INC..
OF 422 THE BOARDWALK
10310 102 AVENUE
EDMONTON
ALBERTA T5J 2X6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
3363PE	28/06/1967	CAVEAT RE : LEASE CAVEATOR - FRED HARTMAN

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
042 322 284

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		40 GLAEWYN ESTATES, ST. ALBERT ALBERTA T8N2S5 "CHANGE OF ADDRESS FOR SERVICE BY 882214048, 13 09 1988 PART"
3364PE	28/06/1967	CAVEAT RE : LEASE CAVEATOR - <u>FRANZ AWALINA</u> 15724-78A AVENUE, EDMONTON ALBERTA "CHANGE OF ADDRESS FOR SERVICE BY 882214049, 13 09 1988 PART"
3365PE	28/06/1967	CAVEAT RE : LEASE CAVEATOR - <u>GUNTHER GLAESING</u> 2007 MELVILLE DRIVE, SIDNEY BRITISH COLUMBIA V8L2M9 "CHANGE OF ADDRESS FOR SERVICE BY 882214050, 13 09 1988 PART"
752 115 863	02/09/1975	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 139 479	06/08/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 573	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 574	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 575	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
882 273 735	15/11/1988	MORTGAGE MORTGAGEE - <u>JOHN PERRON</u> MORTGAGEE - <u>JUN PERRON</u> BOTH OF: 1595 GRIFFITHS PLACE KELOWNA

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
042 322 284

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		BRITISH COLUMBIA V132T7 ORIGINAL PRINCIPAL AMOUNT: \$55,000 (DATA UPDATED BY: CHANGE OF ADDRESS 042435682)
892 146 299	19/06/1989	CAVEAT RE : LEASE CAVEATOR - WALTER MICHAEL LESICK CAVEATOR - KAREN LYNN LESICK BOTH OF: 41 GARNET CRESCENT, SHERWOOD PARK ALBERTA T8A2R7
892 146 300	19/06/1989	CAVEAT RE : LEASE CAVEATOR - MICHELE BULLOCK #115-81 GRANDIN RD ST. ALBERT ALBERTA T8N5G8 (DATA UPDATED BY: TRANSFER OF CAVEAT 902110116) (DATA UPDATED BY: TRANSFER OF CAVEAT 932224135)
892 146 301	19/06/1989	CAVEAT RE : LEASE CAVEATOR - MELVILLE HOBBS 12214-87 STREET, EDMONTON ALBERTA T5B3H8 CAVEATOR - ELIZABETH HOBBS 13 LINKSIDE PLACE SPRUCE GROVE ALBERTA T7X3C5 (DATA UPDATED BY: CHANGE OF ADDRESS 062119185)
892 146 302	19/06/1989	CAVEAT RE : LEASE CAVEATOR - GERHARD JOHN SCHAEFER CAVEATOR - SUSANNE EVA SCHAEFER BOTH OF: 7208-92B AVENUE, EDMONTON ALBERTA T6B0W2
892 146 303	19/06/1989	CAVEAT RE : LEASE CAVEATOR - WALTER KALTENBACH CAVEATOR - LILY KALTENBACH BOTH OF:

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 4
042 322 284

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		9219-133 AVENUE, EDMONTON ALBERTA T5E1C5
892 146 304	19/06/1989	CAVEAT RE : LEASE CAVEATOR - DAVID WEBER CAVEATOR - JEANNETTE WEBER BOTH OF: 11143-41 AVENUE, EDMONTON ALBERTA T6J0T2
892 146 306	19/06/1989	CAVEAT RE : LEASE CAVEATOR - JOSEPH BLEVINS CAVEATOR - JACQUELINE BLEVINS BOTH OF: 10332-50 STREET, EDMONTON ALBERTA T6A2C4
892 177 358	19/07/1989	CAVEAT RE : LEASE CAVEATOR - DONALD W KENNEDY #115, 17220 STONY PLAIN ROAD EDMONTON ALBERTA T5S1K6 (DATA UPDATED BY: TRANSFER OF CAVEAT 892321403)
892 188 900	01/08/1989	CAVEAT RE : LEASE CAVEATOR - MARIE R SHELLEY 11 WAVERLY PLACE, SPRUCE GROVE ALBERTA T6B2C0
892 188 901	01/08/1989	CAVEAT RE : LEASE CAVEATOR - ROSS HANSON 10106-124 ST NW EDMONTON ALBERTA T5N1P6 (DATA UPDATED BY: TRANSFER OF CAVEAT 012324286) (DATA UPDATED BY: CHANGE OF ADDRESS 012354200)
892 190 622	02/08/1989	CAVEAT RE : LEASE CAVEATOR - WILLIAM D ROBERTS CAVEATOR - JO-ANNE CHARRON

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 5
042 322 284

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		BOTH OF: #201, 11029 - 84 STREET EDMONTON ALBERTA T5H1M9 AGENT - SYDNEY E WOOD (DATA UPDATED BY: CHANGE OF ADDRESS 892235017) (DATA UPDATED BY: CHANGE OF ADDRESS 052227061)
892 244 790	25/09/1989	CAVEAT RE : LEASE CAVEATOR - GERHARD JOHN SCHAEFER CAVEATOR - SUSANNE EVA SCHAEFER BOTH OF: 7208 - 92B AVENUE, EDMONTON ALBERTA T6B0W2
892 276 665	26/10/1989	CAVEAT RE : LEASE CAVEATOR - 403669 ALBERTA LTD.. C/O PETERSON ROSS, 200 CAPITAL PLACE, 9707 - 110 STREET, EDMONTON ALBERTA T5K2L9 AGENT - MANOJ GUPTA
902 001 473	02/01/1990	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - PAUL MEDEIROS C/O 9526-83 STREET EDMONTON ALBERTA T6C3A1
902 088 174	29/03/1990	CAVEAT RE : ASSIGNMENT OF LEASE CAVEATOR - PROVINCE OF ALBERTA TREASURY BRANCHES. 8804 118 AVENUE, EDMONTON ALBERTA AGENT - LORI EDLUND
902 270 854	13/09/1990	CAVEAT RE : LEASE CAVEATOR - BRUCE MARSHALL CAVEATOR - GAYLE MARSHALL BOTH OF: 36 BRUNSWICK CRESCENT ST. ALBERT ALBERTA :

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 6
042 322 284

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

AGENT - LEROY N HILLER

902 271 067 13/09/1990 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 3364PE
AFFECTS INSTRUMENT: 3365PE
AFFECTS INSTRUMENT: 3363PE

912 338 025 09/12/1991 LAPSE OF CAVEAT 892146304
AFFECTED PARTY: DAVID WEBER

922 103 265 16/04/1992 CAVEAT
RE : LEASE
CAVEATOR - DARRYL KACHMAN
CAVEATOR - BEVERLY KACHMAN
BOTH OF:
97 ARBOR CRESCENT
ST ALBERT
ALBERTA T8N5B7
AGENT - DARRYL KACHMAN

932 121 890 05/05/1993 CAVEAT
RE : LEASE
CAVEATOR - 403669 ALBERTA LTD..
C/O DONALD W. KENNEDY & ASSOCIATES
1100, 10460 MAYFIELD ROAD
EDMONTON
ALBERTA T5P4P4
AGENT - DONALD W KENNEDY

042 322 285 04/08/2004 MORTGAGE
MORTGAGEE - ARMAC INVESTMENTS LTD..
11617-106 AVE
EDMONTON
ALBERTA T5H0S1
ORIGINAL PRINCIPAL AMOUNT: \$975,000
(DATA UPDATED BY: TRANSFER OF MORTGAGE
072590437)

042 499 892 16/11/2004 CAVEAT
RE : LEASE
CAVEATOR - LESLY A ROUND
BOX 47, SITE 270, RR 2
STONY PLAIN
ALBERTA T7Z1X2

052 489 889 07/11/2005 MORTGAGE
MORTGAGEE - ARMAC INVESTMENTS LTD..

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

PAGE 7

NUMBER

DATE (D/M/Y)

PARTICULARS

042 322 284

		6312-50 ST EDMONTON ALBERTA T6B3K4 ORIGINAL PRINCIPAL AMOUNT: \$7,540,000
082 273 216	08/07/2008	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - STE ANNE NATURAL GAS CO-OP LIMITED. BOX 600, ONOWAY ALBERTA T0E1V0
092 123 611	23/04/2009	TAX NOTIFICATION BY - PARKLAND COUNTY. 53109A SH 779 PARKLAND COUNTY, ALBERTA T7Z1R1
092 183 281	05/06/2009	CERTIFICATE OF LIS PENDENS BY - S & D INTERNATIONAL GROUP INC..
102 248 576	16/07/2010	BUILDER'S LIEN LIENOR - MIKE BILIDA 374-52313 RR 232 SHERWOOD PARK ALBERTA T8B1B7 AMOUNT: \$50,000

TOTAL INSTRUMENTS: 036

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED
HEREIN THIS 11 DAY OF AUGUST, 2010 AT 01:53 P.M.

ORDER NUMBER: 17158771

CUSTOMER FILE NUMBER:

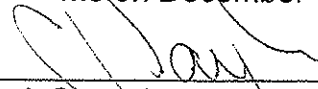
END OF CERTIFICATE



THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS

(CONTINUED)

This is exhibit B referred to in the affidavit of JOHN KENNETH PURDY sworn before
me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta

Conan J. Taylor

PRINT NAME AND EXPIRY/LAWYER



CORPORATE SERVICES

REGISTERED MAIL

July 14, 2010

Roll # 1684000

EDEN LAKE PROJECTS I
C/o John Purdy
11617 106A Ave
Edmonton, AB T5H 0J1

Dear Sir/Madam:

RE: Legal: NE 13-53-2-W5M
Lot 1, Block 1, Plan 8520616

The above noted property, which has a tax notification filed against it for non-payment of taxes, will be placed on the Tax Sale list and offered for sale by public auction on Wednesday, August 18, 2010, at 10:00 a.m. This auction will be held in Council Chambers at Parkland County Centre.

If you wish to have this property removed from the tax sale process, payment of the outstanding tax arrears in the amount of \$19,462.46 (tax arrears balance as of July 13, 2010) must be paid ***in full*** on or before 10:00 a.m., August 18, 2010. **All payments must be made by cash, Interac, money order or bank draft.**

Enclosed is a copy of the Alberta Gazette notice, which was published in the Alberta Gazette on June 30, 2010, as required by the Municipal Government Act. The subject property is highlighted for your convenience. Upon payment of the above noted tax arrears, this property will be removed from the tax sale and auction process.

Should you have any questions, please do not hesitate to contact me by telephone at 780-968-3228 or by mail at the address indicated at the bottom of this letter.

Sincerely,

Jennifer McAdam
Legislative & Administrative Services Coordinator

Enclosure

pc: Fred Hartman
Franz Awalina
Gunther Glaesing
John & Jun Perron
Walter & Karen Lesick

CORPORATE SERVICES

Michele Bullock
Melville Hobbs
Gerhard & Susanne Schaefer
Walter & Lily Kaltenbach
David & Jeannette Weber
Joseph & Jacqueline Blevins
Donald W. Kennedy
Marie R. Shelley
Ross Hanson
William Roberts & Jo-Anne Charron
403669 Alberta Ltd – c/o Peterson Ross
Paul Medeiros
Province of Alberta Treasury Branches
Bruce & Gayle Marshall
Darryl & Beverly Kachman
403669 Alberta Ltd – c/o Donald W. Kennedy & Associates
ARMAC Investments Ltd
Lesly A. Round
ARMAC Investments Ltd.
Ste Anne Natural Gas Co-op Limited.

RECEIVED
JUL 05 2010

ADVERTISEMENT

Notice of Special Resolution to Wind Up Voluntarily

Parkland County

(Companies Act)

Notice is hereby given that a special resolution was passed by the members of the Alberta Capital Region Alliance Ltd. to wind up voluntarily on June 15, 2010.

Dated at Edmonton, Alberta on June 15, 2010.

Brownlee LLP, Solicitors for the Company.

Public Sale of Land

(Municipal Government Act)

Parkland County

Notice is hereby given that, under the provisions of the Municipal Government Act, Parkland County will offer for sale, by public auction, at the Parkland County Centre, 53109A HWY 779, Parkland County, Alberta, on Wednesday, August 18, 2010, at 10:00 a.m., the following lands:

Roll #	Lot	Block	Plan	Legal	Acres	C of T
394000				NW 14-51-27-W4M	156.97	072028349
445000				SW 27-51-27-W4M	60.86	812287035
572002	2	1	9722030	SW 23-52-27-W4M	4.80	032137789
739006	6	1	2542 RS	SW 5-54-27-W4M	3.00	072714062001
1174005	3		7520894	SE 5-53-1-W5M	18.40	942 290 545
1187043	17	5	8220443	SW 8-53-1-W5M	1.95	062345565
1189000	1	1	0623993	NE 8-53-1-W5M	1.41	062 515 602
1189040	35	3	0423060	NE 8-53-1-W5M	1.56	072205141
1229027	15	1	8022434	NE 18-53-1-W5M	2.74	072384707
1347038	35	5	7622277	NW 36-50-2-W5M	1.23	082318299
1566000				SW 20-52-2-W5M	78.81	052003790

1568014	4		020-5221-W5M	5.52	062182086
1684000	1		E 13-53-2-W5M	220.41	
1699002	1		W 17-53-2-W5M	1.0	

Parkland County

PARKLAND COUNTY

Notice is hereby given that under the provisions of the Municipal Government Act, Parkland County will offer for sale, by public auction, at the Parkland County Centre, 53109A HWY 779, Parkland County, Alberta on Wednesday, August 18, 2010, at 10:00 a.m. the following lands:

Roll #	Lot	Block	Plan	Subdivision/ Legal Description	Acres	C of T #	Reserve Bid
394000	-	-	-	NW 14-51-27-W4M	156.97	072028349	\$690,000.00
445000	-	-	-	SW 27-51-27-W4M	60.86	812287035	\$639,500.00
572002	2	1	9722030	SW 23-52-27-W4M	4.60	032137789	\$390,000.00
739006	6	1	2542 RS	SW 5-54-27-W4M	3.00	072714062001	\$440,000.00
1174005	3	-	7520694	SE 5-53-1-W5M	18.40	942 290 545	\$250,000.00
1187043	17	5	8220443	SW 8-53-1-W5M	1.95	062345565	\$290,500.00
1189000	1	1	0523893	NE 8-53-1-W5M	1.41	062 515 602	\$152,000.00
1229027	15	1	8022434	NE 18-53-1-W5M	2.74	072384707	\$295,000.00
1347038	35	5	7622277	NW 38-50-2-W5M	1.23	082318299	\$67,650.00
1684000	1	1	8520616	NE 13-53-2-W5M	220.41	042322284	\$1,500,000.00
1735007	8	1	7820951	NW 30-53-2-W5M	3.31	982248750001	\$103,000.00
1933018	4	3	7820188	NW 2-53-3-W5M	3.26	952238013	\$300,000.00
1998019	19	3	8022199	NW 19-53-3-W5M	4.11	032226054	\$250,000.00
2019003	4	1	7622246	NE 24-53-3-W5M	3.0	862 268454	\$186,000.00
2836041	13-19	5	4434 AD	SE 15-53-5-W5M	0.56	062279028	\$48,500.00
3382016	2	2	3060 KS	SE 22-53-6-W5M	0.45	732 116266	\$36,900.00
3393016	6	2	7721098	SE 25-53-6-W5M	3.04	072 018 649	\$203,000.00
4270185	23-24	7	7471 V	NE 20-53-7-W5M	0.28	062333934	\$60,000.00

- Each parcel of land offered for sale at the Public Auction shall be subject to the reserve bid and to the reservations and conditions contained in the existing certificates of title;
- Redemption of a parcel of land offered for sale may be effected by cash or certified cheque of all arrears of taxes, penalties, and costs at any time prior to 10:00:00 the date of the Public Auction;
- Parkland County may, after the Public Auction, become the owner of any parcel of land that is not sold at the Public Auction; and
- The terms and conditions of Sale for the Public Auction are:
 - Sales are cash only with a 10% deposit upon acceptance of an offer at the public auction with the balance of the purchase price due payable within 30 days of the date of the Public Auction; and
 - G.S.T. will apply to all lands sold at the Public Auction; and
 - The deposit is non-refundable; and
 - Properties will be offered for sale on an "as is, where is" basis and Parkland County makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, vacant possession, or the developability of the lands for any intended use by the successful bidder; and
 - No terms and conditions of sale will be considered other than those specified by Parkland County; and
 - No bid will be accepted where the bidder attempts to attach conditions to the sale of any parcel of land; and
 - All successful bidders are required to execute a Sale Agreement in a form and substance acceptable to Parkland County at the close of the public auction.

Dated at Parkland County, Alberta, July 21, 2010.

Jennifer McAdam, Coordinator, Legislative & Administrative Services

JULY 30, 2010

News



PARKLAND COUNTY

Notice is hereby given that under the provisions of the Municipal Government Act, Parkland County will offer for sale, by public auction, at the Parkland County Centre, 53109A HWY 779, Parkland County, Alberta on Wednesday, August 18, 2010, at 10:00 a.m. the following lands:

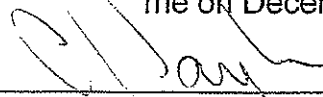
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3382016	2	2	3060 KS	SE 22-53-6-W5M	0.45	782 116206	\$66,900.00
3393016	6	2	7721098	SE 25-53-6-W5M	3.04	072 018 649	\$203,000.00
4270185	23-24	7	7471 V	NE 20-53-7-W5M	0.28	062333934	\$60,000.00

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- Redemption of a parcel of land offered for sale may be effected by cash or certified cheque of all arrears of taxes, penalties, and costs at any time prior to 10:00:00 the date of the Public Auction;
- Parkland County may, after the Public Auction, become the owner of any parcel of land that is not sold at the Public Auction; and
- The terms and conditions of Sale for the Public Auction are:
 - Sales are cash only with a 10% deposit upon acceptance of an offer at the public auction with the balance of the purchase price due payable within 30 days of the date of the Public Auction; and
 - G.S.T. will apply to all lands sold at the Public Auction; and
 - The deposit is non-refundable; and
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 - No terms and conditions of sale will be considered other than those specified by Parkland County; and
 - No bid will be accepted where the bidder attempts to attach conditions to the sale of any parcel of land; and
 - All successful bidders are required to execute a Sale Agreement in a form and substance acceptable to Parkland County at the close of the public auction.

Dated at Parkland County, Alberta, July 21, 2010.

Jennifer McAdam, Coordinator, Legislative & Administrative Services

This is exhibit C referred to in the affidavit of JOHN KENNETH PURDY sworn before
me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta



PRINT NAME AND EXPIRY/LAWYER



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0011 058 997 8520616;1;1 102 336 498

LEGAL DESCRIPTION
PLAN 8520616
BLOCK 1
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 89.2 HECTARES (220.42 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;2;53;13;N

MUNICIPALITY: PARKLAND COUNTY

REFERENCE NUMBER: 042 322 284

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
102 336 498	23/09/2010	TRANSFER OF LAND	\$1,500,000	SEE INSTRUMENT

OWNERS

1260582 ALBERTA LTD..
OF BOX 2148
STONY PLAIN
ALBERTA T7Z 1X6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
752 115 863	02/09/1975	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
102 336 498

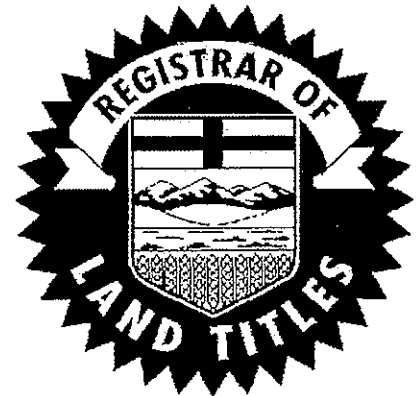
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
762 139 479	06/08/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 573	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 574	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"
762 158 575	08/09/1976	UTILITY RIGHT OF WAY GRANTEE - STE ANNE NATURAL GAS CO-OP LIMITED. "PART"

TOTAL INSTRUMENTS: 005

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED
HEREIN THIS 23 DAY OF SEPTEMBER, 2010 AT 01:26 P.M.

ORDER NUMBER:17452354

CUSTOMER FILE NUMBER: 108226 SDC

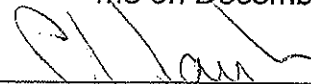


END OF CERTIFICATE

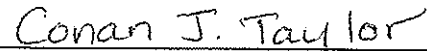
THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS
SET OUT IN THE PARAGRAPH BELOW.

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 D referred to in the affidavit of JOHN KENNETH PURDY sworn before
me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta



PRINT NAME AND EXPIRY/LAWYER

Firm and Irrevokable Assignment of Interest

(KRS)
October 21/2010

I, Mike Bilida of : # 374 – 52313, RR 232,
Sherwood Park, AB.,
T8B 1B7.

For the sum of \$2.00 and other valuable consideration hereby
recieved do hereby absolutely assign to Armac Investments Ltd., that
certain Builder's Lien registered as instrument # 102-248-576 on July
16th, 2010 against property known as Lake Eden in Parkland County,
Ab, and described as: Title Number : 042-322-284, and legally
described as :

Legal Description

Plan 8520616

Block 1

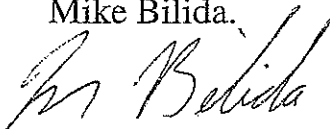
Lot 1

Excepting Thereout All Mines And Minerals

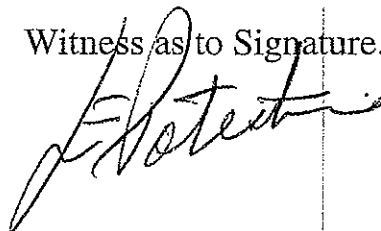
Area: 89.2 Hectares (220.42 Acres) More Or Less.

Sincerely,

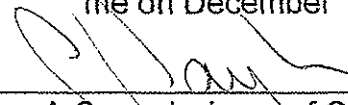
Mike Bilida.



Witness as to Signature.



This is exhibit E referred to in the affidavit of JOHN KENNETH PURDY sworn before
me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta

Conan J. Taylor

PRINT NAME AND EXPIRY/LAWYER

MORTGAGE

THE LAND TITLES ACT

Eden Lake Projects Inc. of Edmonton, Alberta, (hereinafter called the "Borrower") being registered, or entitled to become registered, as owner of an estate in fee simple in possession, subject to registered encumbrances, liens and interests, if any, on the existing Certificate of Title, for those lands located in the Province of Alberta described in the LAND SCHEDULE attached hereto (which together with the services, buildings, improvements, and fixtures located thereon, now or thereafter, are collectively called the "Lands");

IN CONSIDERATION of the sum of Seven Million Five Hundred and Forty Thousand (\$7,540,000.00) Dollars (the "Principal Sum") lent to the Borrower by ARMAC INVESTMENTS LTD., a body corporate having an Office at 6312 50th Street, in the City of Edmonton, in the Province of Alberta, T6B 3K4 (who and whose successors and assigns are herein included in the expression the "Lender"), the receipt of which Principal Sum the Borrower does hereby acknowledge, the Borrower COVENANTS with the Lender as follows:

1. PRINCIPAL AND INTEREST

The Borrower will unconditionally pay to the Lender without deduction, abatement or set off, at the above address, or at such other place as the Lender may in writing direct, the Principal Sum in lawful money of Canada, on demand, with interest thereon at the rate of Eighteen (18%) per cent per annum (the "Mortgage Rate"), not in advance, as well after as before maturity, both before and after default and both before and after judgment, until paid, as follows:

- (a) Interest only at the Mortgage Rate on the Principal Sum, computed from and including the first day of October, 2005, the balance of principal and interest to become due and payable on October 1, 2010, except in the event of a prior demand by the Lender. At the option of the Lender, interest so due and payable may be deducted from advances made from time to time hereunder, provided that the Lender may, in its sole option, on notice to the Borrower at any time, require interest on any advance calculated from and including the date of disbursement to be due and paid forthwith.
- (b) The Borrower will pay to the Lender interest on the Principal Sum or so much thereof as may be advanced or which shall from time to time remain unpaid at the Mortgage Rate and in the manner aforesaid and all interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Mortgage Rate as well after as before maturity of this Mortgage, and as well after as before judgment, under this Mortgage until paid, and shall be payable at the times, in the manner, and at the place here before provided for payment of principal, and all such interest and compound interest shall be a charge on the Lands. Interest shall be calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. In the event of nonpayment of any of the monies hereby secured at the time herein set for payment thereof, the Borrower will, so long as any part thereof remains unpaid, pay interest at the Mortgage Rate from day to day on the same.
- (c) The Lender may, at its sole option, amend the first payment date and the final payment date, or either of them by notice in writing sent by ordinary mail to the Borrower or to the Borrower's solicitor and/or by way of an Amending Agreement which Agreement the Borrower agrees to execute promptly and return to the Lender's solicitor.
- (d) Except in the event of a prior demand, the Principal Sum plus any outstanding interest shall be paid in full no later than January 1, 2010.



2. PAYMENT METHOD

The Borrower shall from time to time, if required by the Lender, provide a series of post-dated cheques or a signed pre-authorized withdrawal form or forms directed to the Lender or to the bank or financial institution at which the Borrower regularly keeps a chequing account, so as to enable the Lender to receive payments from time to time as required under this Mortgage. In the event of default under this Mortgage, the Lender may require future payments to be by certified funds or banker's draft.

3. TAXES

Subject as hereinafter in this paragraph provided, the Borrower will pay when and as the same falls due, all taxes, rates, liens, charges, encumbrances or claims which are or which may become charges or claims against the Lands or on this Mortgage or on the Lender in respect of this Mortgage; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes (herein together referred to as "Taxes"):

- (a) The Lender may deduct from time to time from advances of monies under this Mortgage amounts sufficient to pay the Taxes which have become due and payable and are unpaid from time to time as advances are made;
- (b) The Borrower shall in each year during the currency hereof pay to the Lender in equal monthly installments such amounts as the Lender may estimate as being the annual Taxes (including, without limitation, supplemental tax assessments) next becoming due and payable, the said monthly installments to be paid with and in addition to the monthly installments of interest and principal due and payable under this Mortgage, and the Borrower shall also pay to the Lender before the due date of the current annual Taxes any additional sums that may be requisite in order that out of such monthly and additional payments the Lender may pay the whole amount of the annual Taxes on or before the due date thereof, or if such amount is payable in installments on or before the due date for payment of the first installment thereof;
- (c) Notwithstanding the foregoing provisions, the Lender may deduct from any advance or advances of the monies secured by this Mortgage an amount or amounts, estimated by the Lender, which together with the ensuing monthly payments by the Borrower to the Lender on account of Taxes as estimated by the Lender will be sufficient to fully pay and discharge such Taxes as may be levied within the year following the date that the first monthly installment is due hereunder. If all the Taxes in respect of which such deduction is to be made are not yet due and payable when advances are made hereunder, the Lender may estimate the amount of such Taxes for the purpose of such deduction. If the amount of the Taxes that are levied exceed the estimated amount, then such excess shall forthwith become due and payable by the Borrower to the Lender in addition to the other payments herein provided to be made;
- (d) Notwithstanding the foregoing, where the period between the date that the first monthly installment is due hereunder and the next following due date for Taxes is less than one year, the Lender may at its option and as an alternative to or in addition to deduction of Tax-payment monies from advances, require the Borrower to pay (and the Borrower shall pay accordingly) to the Lender in equal monthly installments during such period and during the next succeeding 12-month period an amount estimated by the Lender to be sufficient to pay on or before the expiration of the said succeeding 12-month period, all Taxes which shall become due and payable during the said two periods and during the balance of the year in which the said succeeding 12-month period expires; and the Borrower shall also pay to the Lender forthwith on demand the amount, if any, by which the actual Taxes exceed such estimated amount;
- (e) So long as the Borrower is not in default under any covenant or agreement contained in this

Mortgage, the Lender shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided, however, that if before any sum or sums so paid to the Lender shall have been so applied there shall be default by the Borrower in respect of any payment of principal, interest or other amount as herein provided, the Lender may, at its option, apply such sum or sums in or towards payment of the principal, interest and/or other amount in default;

- (f) The Borrower shall be charged and shall pay to the Lender interest at the Mortgage Rate on the debit balance, if any, in the mortgage account outstanding after payment of Taxes by the Lender, until such debit balance is fully repaid;
- (g) Notwithstanding the provisions of clauses (b), (c) and (d) above, the Lender may, at its sole option, request the borrower to pay the Taxes as and when such Taxes become due and to submit to the Lender tax receipts evidencing the payment of the Taxes within 30 days after they become due, and in such case, the aforesaid monthly installments, where applicable, will be adjusted accordingly. Taxes shall be deemed to be due for the purposes of this Mortgage on the day on which they are levied by the applicable taxing authority or on the last day on which they may be paid without penalty, whichever is later, or if the Taxes are payable in installments on or before the due date for payment of the first installment thereof;
- (h) In default of the payment by the Borrower of monies for Taxes as aforesaid, then the Lender may (but shall not be obligated to) pay such Taxes and also any liens, charges and encumbrances which may be charged against the Lands. All monies expended by the Lender for any of such purposes together with interest thereon at the Mortgage Rate and shall be added to the principal monies hereby secured and repaid by the Borrower to the Lender forthwith and until repaid shall be a charge on the Lands;
- (i) If the Lands or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid under this Mortgage, the Lender may acquire title and rights of the purchaser at any sale, or the rights of any other person or corporation entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the Borrower's name and on the Borrower's behalf, any and all sums necessary to be paid to redeem such Lands so sold or forfeited, and to re-vest such Lands in the Borrower, and the Borrower hereby nominates and appoints the Lender agent of the Borrower to pay any such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender together with interest thereon at the Mortgage Rate shall be repaid by the Borrower forthwith. In the alternative, the Lender shall have the right to bid on and/or purchase the Lands at any tax sale of the same and shall thereupon become the absolute owner thereof;
- (j) The Borrower shall transmit to the Lender all tax bills and other notices affecting the imposition of Taxes forthwith after receipt of same by the Borrower and the Borrower authorizes the Lender to obtain any tax or assessment information concerning the Lands directly from the taxing authority having jurisdiction over the Lands;
- (k) The Borrower will, if required by the Lender, enroll in the taxing authority's tax installment payment plan; and
- (l) The Borrower irrevocably consents to the release to the Lender of all information about the Lands or the Borrower's operations from any governmental agency, including name and address of the property owner and amount of monthly payment if property taxes are paid through the tax installment plan. This authorization is granted in accordance with of the *Freedom of*



Information and Protection of Privacy Act of Alberta or any such similar legislation.

4. INSURANCE


The Borrower will at its expense, during the continuance of this security, maintain or cause to be maintained with financially sound and licensed insurers acceptable to the Lender, insurance in accordance with the following requirements:

- (a) The Borrower will forthwith insure and keep insured in favour of the Lender each and every building or improvement now or hereafter placed or erected upon the Lands both during erection and thereafter, including any plate glass, against loss or damage by fire, smoke, earthquake, tempest, tornado, cyclone, lightning, floods, and other risks and hazards customarily insured against by an extended coverage or additional perils supplemental contract of insurance, and such insurance shall include insurance in respect of the boilers, pressure vessels, machinery and like equipment, if any, against loss or damage to such equipment and any other improvements by rupture of any steam boiler or other object generating or operated by steam and/or closed circulation, hot water heating system and/or pressure vessel or sprinkler system operated within or on the Lands;
- (b) If any portion of the Lands are now or at any time rented or leased by the Borrower to any tenant or tenants, the Borrower shall, at the option of the Lender, keep the Lands insured in a form and wording satisfactory to the Lender, against loss of rental income and third party liability coverage in such amount as the Lender may from time to time require;
- (c) The Borrower will insure all portions of the improvements below grade, including the foundation of any and all improvements to the Lands;
- (d) All policies of insurance required to be maintained by the Borrower shall be effected upon terms and conditions satisfactory to the Lender and shall:
 - (i) regarding property insurance, be in an amount equal to the full undepreciated replacement cost of the improvements to the Lands;
 - (ii) be primary without right of contribution from any other insurance which is carried by the Borrower and expressly provide that all provisions thereof, except the limits of liability, shall operate in the same manner as if there was a separate policy covering each insured;
 - (iii) not contain any percentage co-insurance provisions;
 - (iv) provide that if any premium or installment is not paid when due, or if such insurance is cancelled, terminated or materially changed for any reason whatsoever, the insurers thereunder will promptly notify the Lender and that no cancellation, termination or change shall be effective in respect of the Lender until thirty (30) days after the giving of such notice;
 - (v) provide for any loss under each policy to be made payable to the Lender as its interests may appear pursuant to a Mortgage clause approved by the Insurance Bureau of Canada except for public liability insurance where the Lender shall be a named insured; and
 - (vi) include a cost replacement endorsement, which will specifically delete the requirement of reconstruction on same or adjacent site.



- (e) The Borrower shall deliver, at least fifteen (15) days before the expiry of any insurance or at least five (5) days prior to the date fixed for cancellation of a policy should notice of cancellation be given, evidence of renewal or replacement thereof;
- (f) In the event that the Borrower neglects to keep the improvements to the Lands or any of them insured as aforesaid or fails to deliver such policies and receipts or produce evidence of renewal, the Lender shall be entitled but shall not be obliged to insure the said improvements or any of them or may require any insurance upon the Lands to be cancelled and new insurance concurrently effected, all at the expense of the Borrower, and any amount paid by the Lender therefore shall bear interest at the Mortgage Rate and shall be dealt with as provided herein and that if, for any reason the Lender is unable to effect or maintain new insurance as hereinbefore provided, or in the case of the cancellation of any insurance upon the said improvements for any cause whatsoever, the whole of the Principal Sum and interest and all other monies hereby secured and not previously paid shall forthwith become due and payable at the option of the Lender;
- (g) On the happening of any loss or damage, the Borrower shall immediately notify the Lender and shall furnish, at its own expense, all necessary proofs and do all necessary acts to enable the Lender to obtain payment of the insurance monies and any insurance money received may, at the option of the Lender, be applied in rebuilding, reinstating or repairing the Lands or be paid to the Borrower or any other person appearing by the registered title to be or to have been the owner of the said Lands or to be applied or partly applied in one way and partly in another, or it may be applied, in the sole discretion of the Lender in whole or in part, on amounts outstanding and secured hereunder or parts thereof, whether due or not then due and the Borrower waives the benefit of any law or legislation to the contrary and in particular, the *Insurance Act of Alberta* and the *Fire Prevention (Metropolis) Act, 1774*;
- (h) To ensure that the Lender may apply insurance monies in the manner aforesaid, the Lender shall have a lien with priority ranking equal to that of the Mortgage on all insurance proceeds and the Borrower assigns and releases to the Lender all its rights to receive the insurance proceeds. The Borrower irrevocably constitutes and appoints the Lender as its agent for the purpose of demanding, recovering, and receiving payment of all insurance monies to which the Borrower becomes entitled. Nothing herein will render the Lender liable to the Borrower for any act done by the Lender in pursuance of this Power of Attorney or for its failure to do any act or take any step in relation thereto;
- (i) Notwithstanding the foregoing clauses, the Borrower shall put in place and provide the Lender with evidence of such other types of insurance as may be reasonably required from time to time by the Lender or as required under any Commitment Letter and such insurance shall be in a form and wording satisfactory to the Lender; and
- (j) The Borrower irrevocably consents to the release to the Lender of all information concerning insurance and instructs its insurers and its insurance agents to release such information required by the Lender from time to time. This authorization is granted in accordance with the *Freedom of Information and Protection of Privacy Act of Alberta*, *Personal Information Protection and Electronic Documents Act of Canada* and *Personal Information Protection Act of Alberta* or any such similar legislation.

5. MAINTENANCE OF CHARGE

- (a) The Borrower will fully and effectually maintain and keep the security hereby created as a valid and effective security during the currency hereof and, unless otherwise allowed by the Lender, will not permit or suffer the registration of any encumbrance, lien, or charge whatsoever, which could rank
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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 Borrower shall in good faith contest the same and shall, if the Lender so requires, give security to the satisfaction of the Lender for the due payment of the amount claimed in respect thereof, together with possible costs, in case it shall be a valid lien charge or encumbrance.


- (b) The Lender may pay the amount of any encumbrance, lien, or charge referred to in the preceding paragraph together with all costs and expenses incurred in connection therewith including solicitor's charges on a solicitor and his own client basis, and the amount so paid shall be payable forthwith by the Borrower to the Lender and until so paid shall be added to and become part of the principal money hereby secured and shall be a charge on the Lands with interest thereon at the Mortgage Rate and the non payment of such amount shall be a default hereunder. In the event of the Lender paying such amount, the Lender shall be subrogated to and entitled to all the rights, equities, and securities of the payee, and the Lender is authorized to retain any discharge thereof without registration if the Lender thinks proper to do so. The decision of the Lender as to the validity or amount of any advance or disbursement made under this Mortgage of a claim so paid shall be final and binding on the Borrower.
- (c) In the event the Lands are abandoned by the Borrower or appear to be so abandoned, or in the event it appears to the Lender that there is any present risk or future risk of destruction or damage to the Lands, whether or not there is any default under the terms of this Mortgage, the Lender shall have the right to enter any building located on the Lands and shall have the right to forcibly enter if necessary, for the purpose of preserving the said building and maintaining adequate utilities to the premises. The Lender shall not by such action be deemed to be a Lender in possession and shall not be considered a trespasser. All of the Lender's costs with respect to so protecting or preserving the Lands or premises thereon shall be added to the Principal Sum secured herein and shall be a charge upon the Lands.

6. WASTE

The Borrower will not permit or commit any act of waste on the Lands or do any other act or thing by which the value of the Lands shall in the opinion of the Lender be diminished and the Borrower will properly and sufficiently repair, maintain, and keep the improvements now or hereafter on the Lands, and fixtures and appurtenances belonging thereto in good and substantial repair. If, in the opinion of the Lender, the Lands are not at any time in proper state of repair, the Lender may serve notice upon the Borrower to make such repairs or replacements as the Lender deems proper and in the event of the Borrower not having complied or not being in the process of diligently complying with such requisition, the Lender may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Lands for the purpose of doing such work with or without the Borrower's concurrence and the cost thereof shall be repaid to the Lender by the Borrower and until paid shall be secured by this Mortgage, shall bear interest until paid at the Mortgage Rate and shall (together with the said interest) be a charge upon the Lands.

7. ALTERATIONS

Subject to the terms of any Commitment Letter that may have been entered into between the Borrower and the Lender, the Borrower will not change the use of the Lands nor make or permit to be made any material alterations or additions to the Lands without the consent of the Lender. At no time shall the Lands be used in a manner that would contravene the legislation, requirements, orders, ordinances, or regulations of any applicable governmental authority in force from time to time.



8. INSPECTION

At such time or times as the Lender may deem necessary and without the concurrence of the Borrower or any other person, the Lender may send its inspector or agent to view the Lands and such person shall be entitled to enter upon, inspect and report the value, state and condition of the Lands, and may retain a solicitor to examine and report upon the title of same and all monies so expended by the Lender shall be repaid by the Borrower to the Lender and until repaid shall be added to the principal monies advanced under this Mortgage and shall bear interest at the Mortgage Rate.

9. PRIOR CHARGE

- (a) If the Borrower makes default in the performance of the covenants, payments or conditions contained in any prior mortgages, Agreements for Sale, easements, restrictive covenants, or other charges (the "Prior Charge") secured upon the Lands, then such default shall constitute a default hereunder and the entire unpaid balance hereby secured together with interest, shall, at the option of the Lender, become forthwith due and payable. The Lender shall be at liberty in case of such default, but shall not be obligated, to pay any arrears or other sums payable under the Prior Charge, or pay off all or any portion of the principal and/or interest thereby secured. The Borrower irrevocably assigns to the Lender its right of redemption with respect to the Prior Charge that may be required to give effect to this clause. Any amounts so paid by the Lender shall be added to the amount hereby secured, shall bear interest at the Mortgage Rate until paid, shall be (together with the said interest) a charge upon the Lands, and (unless repaid to the Lender upon demand), shall be recoverable from the Borrower in the same manner as if such sum had been originally advanced and secured hereby.
- (b) The Borrower irrevocably consents to the release to the Lender of all information concerning the Prior Charge or any other charges secured against the Lands and instructs the holders of all such charges to provide the Lender with such information as may be required by the Lender from time to time. This authorization is granted in accordance with the *Freedom of Information and Protection of Privacy Act of Alberta*, *Personal Information Protection and Electronic Documents Act of Canada* and *Personal Information Protection Act of Alberta*.
- (c) The Borrower shall preserve and maintain in good standing all easements, rights of way, and restrictive covenants registered in priority to this Mortgage and shall not allow such encumbrances to be discharged or amended without the prior written consent of the Lender which shall not be unreasonably withheld.

10. SHORT COVENANTS

THE BORROWER COVENANTS AND AGREES WITH THE LENDER THAT THE BORROWER:

- (i) has a good title to the Lands;
- (ii) has the right to Mortgage the Lands;
- (iii) on default the Lender shall have quiet possession of the Lands, free from all encumbrances;
- (iv) Will execute such further assurances of the Lands as may be requisite;
- (vii) has done no act to encumber the Lands other than is described on the existing Certificate of Title; and
- (vi) the improvements on the lands comply with municipal by-laws and ordinances and do



not encroach onto adjoining lands.

11. ADVANCES


Neither execution nor registration nor acceptance of this Mortgage, nor the advance of part of the monies secured hereby, shall bind the Lender to advance the Principal Sum or any unadvanced portion thereof notwithstanding the provisions of the loan approval or Commitment Letter issued by the Lender, 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 Lender may advance the same in one or more sums to or on behalf of the Borrower at any future date or dates and the amount of such advance when so made shall be secured hereby and be repayable with interest as herein provided.

12. RE-ADVANCES

- (a) This Mortgage may be held by the Lender as security for a revolving line of credit up to a specific sum equal to the Principal Sum and accordingly this Mortgage shall be deemed to be a revolving line of credit mortgage within the meaning of, and shall take priority in accordance with the provisions dealing with the same in the *Land Titles Act of Alberta*. This Mortgage is and shall be a continuing security to the Lender for the repayment of all present and future amounts owing in respect of the Principal Sum lent. Any portion of the Principal Sum may be advanced or re-advanced by the Lender in one or more sums at any future date or dates and shall be secured by this Mortgage and repayable with interest at the Mortgage Rate and this Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured. Nothing herein shall require the Lender to make re-advances nor shall anything in this clause be deemed to create a right of pre-payment by the Borrower.
- (b) In the event a prior mortgage is a permitted encumbrance, the Borrower will not request the prior mortgagee to re-advance funds under its mortgage without the written consent of the Lender.

13. EXPROPRIATION

If the Lands, or any material part thereof, shall be expropriated the amount of the Principal Sum remaining unpaid, shall at the option of the Lender forthwith become due and payable, together with interest thereon at the Mortgage Rate to the date of payment, and together with a bonus equal to a sum of three (3) months interest at the Mortgage Rate, calculated on the amount of principal so remaining unpaid. The Borrower further agrees, subject to the rights of any permitted prior mortgagee:

- (a) The damages, proceeds, consideration, and award for such expropriation, to the extent of the full amount of the indebtedness owing under this Mortgage and obligations secured hereby remaining unpaid, are hereby irrevocably assigned by the Borrower to, and shall be paid forthwith to, the Lender;
 - (b) The Borrower acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act of Alberta* and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof and in addition the Borrower covenants to pay to the Lender the balance between the monies owing to the Lender under this Mortgage and the monies paid by the expropriating authority to the Lender;
 - (c) Any monies awarded by an order of the Surface Rights Board with respect to all or any part of the Lands to the extent of the full amount of the indebtedness owing under this Mortgage and obligations secured hereby remaining unpaid are herewith assigned by the Borrower and shall be paid forthwith to the Lender.
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14. CONDOMINIUM

In the event that the Lands or part thereof are now or at any time hereafter become a condominium under the *Condominium Property Act of Alberta* or similar legislation then the following shall apply:

- (a) The Borrower shall comply with, observe, and perform all provisions of the *Condominium Property Act of Alberta*, its regulations and the by-laws, rules, and regulations of the Condominium Corporation from time to time in force;
- (b) Without limiting the generality of the preceding sub-paragraph, the Borrower will promptly pay when due, all assessments, installments, or payments owing by the Borrower to the Condominium Corporation;
- (c) Upon breach of any covenant or provision contained in this section, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower may pay such contribution owing to the Condominium Corporation or rectify any such default or breach by the Borrower and such default or breach shall be a default under the terms of this Mortgage and in addition to any other rights it may have the Lender may distrain for arrears for any assessments, installments, or payments paid by the Lender;
- (d) The Borrower hereby irrevocably assigns, transfers and sets over unto the Lender all its rights which now exist, or may hereafter come into existence, to vote at meetings of the Condominium Corporation:
 - (i) In all cases in which a unanimous or special resolution is required by the *Condominium Property Act of Alberta* as amended, the By-Laws of the Corporation, or any Agreement with the Condominium Corporation; and
 - (ii) In all other cases other than as referred to in (i) of this clause, provided that in the event the Lender is either not present, or present by proxy, or if present, does not wish to vote, then the Borrower may exercise the voting right without further authority;
- (e) In the event this Mortgage is a blanket mortgage against more than one condominium unit, this Mortgage shall not in any way be fractionalized and this Mortgage shall continue and operate as full security on each and every condominium unit and the consent by the Lender to a Condominium Plan shall not entitle the Borrower or any successor or assign to any partial break out or discharge of this Mortgage as to any unit or units.

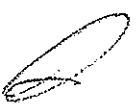
15. CONSTRUCTION

In the event this Mortgage is a building or construction mortgage, the Borrower agrees that:

- (a) The improvements being erected or to be erected and all materials brought onto the Lands form part of the security for full amount of the monies secured by this Mortgage;
 - (b) All advances on this Mortgage are to be made and used in accordance with the progress of construction of such improvements and in furtherance of their completion and occupation;
 - (c) The Borrower will construct the improvements on the Lands in a good and workmanlike manner and in accordance with plans and specifications which have been or which may hereafter be approved by the Lender or, if applicable, Canada Mortgage and Housing Corporation, in accordance with applicable building codes and requirements of governmental authorities, and will carry on diligently to complete the construction of the said improvements. When so required by the Lender the Borrower shall supply the Lender with evidence or confirmation from
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any such municipal or governmental authorities of such compliance and the Lender is authorized to make any inquiries it may deem appropriate from any such municipal or governmental authorities;

- (d) Any defects or variation in the construction of the Project on the Lands as reported to the Lender by its consultants shall be promptly corrected by the Borrower to the satisfaction of the Lender;
- (e) In the event that any such improvements now or hereafter in the course of construction remain unfinished and without any work being done for a period of ten consecutive days, or in the event of other default, the Lender may enter the Lands and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Lender may see fit including the retention of such contractors, subcontractors or agents it may choose. Any monies spent by the Lender pursuant to this sub-clause including a management fee of 15% of such monies spent shall be a charge on the Lands and bear interest at the Mortgage Rate and shall be deemed to constitute part of the Principal Sum. In the event the Lender exercises its rights under this sub-clause, the rights and benefits of the Borrower in and to any regulatory permits and all contracts with trades and suppliers or professionals are assigned to the Lender to such extent as the Lender may require;
- (f) The Lender shall be entitled, at the expense of the Borrower, to inspect all aspects of the construction and make tests of materials, and the Borrower will not cover any portion of the construction work requiring inspection by the Lender until the Lender has inspected the same, and the Borrower shall forthwith remedy and carry out against any work which does not conform to the Lender's reasonable requirements;
- (g) The Borrower shall, at its expense, provide to the Lender such documents, contracts, permits, and other materials in respect of construction as the Lender requires from time to time;
- (h) The Lender shall not be obliged to hold back loan proceeds to provide the lien fund or other protection to the Borrower under the *Builder's Lien Act of Alberta*; provided that if the Lender holds back loan proceeds in a manner similar to the way the said Act provides for an owner to make holdbacks then, notwithstanding such holdbacks by the Lender, such holdbacks shall not constitute the lien fund under the said Act. The Lender may, at its option, make advances under the Mortgage directly to pay trades and suppliers owed money in the course of construction;
- (i) No entry or occupation by the Lender shall be deemed to make the Lender a Lender in possession.
- (j) No extra work or materials or change in plans and specifications shall be ordered or authorized by the Borrower without the prior written consent of the Lender which shall not be unreasonably withheld; and
- (k) If a budget shortfall amount (as described below) has arisen and has continued for 30 days or more, the Borrower shall, on demand by the Lender, forthwith pay to the Lender such monies as are required to satisfy the budget shortfall amount, being the amount, if any, by which the aggregate cost, as determined by the Lender, to complete construction of the Project (as defined in the Commitment Letter) including the interest estimated to accrue due on the Loan to the date of completion of the Project, exceeds the unadvanced portion of the Loan (or if the Loan comprises more than one loan, exceeds the unadvanced portion of the construction loan included in the Loan). The monies so paid to the Lender shall be held by the Lender as cash collateral to secure the obligations of the Borrower to the Lender until released by the Lender in its discretion for injection by the Borrower into the Project to satisfy the budget shortfall. The obligations of the Borrower under this clause shall be continuing obligations in favour of the Lender which shall not be



terminated by reason of a demand being made on the Borrower by the Lender, and the Lender shall be entitled to demand and re-demand payment from the Borrower from time to time and at any time.

16. USE OF MONEY

The Lender shall not be charged with any monies receivable or collectable out of the Lands or otherwise except those actually received by the Lender, and all revenue of the Lands received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a suspense account or used in maintaining or insuring or improving the Lands, or in payment of taxes or other charges against the Lands, or applied on the Mortgage account, and the Lender shall not be under any liability to pay interest on any sums in a suspense account.

17. EVENTS OF DEFAULT

"Events of Default" means the occurrence of any one or more of the following events:

- (a) a default by the Borrower in the observance or performance of any of the terms or conditions of this Mortgage, any the collateral security or any Commitment or Facility Letter between the Lender and the Borrower;
- (b) an order being made or an effective resolution being passed for the winding up of the Borrower or a petition being filed for the winding up of the Borrower;
- (c) the Borrower becoming insolvent or the filing or presenting of a petition in bankruptcy against the Borrower;
- (d) the appointment of a Receiver or Receiver Manager of the Borrower or any of its assets either privately or by court appointment;
- (e) if the Borrower shall commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada*, become bankrupt or insolvent or shall be subject to the provisions of the *Bankruptcy and Insolvency Act of Canada*, the *Companies Creditor's Arrangement Act of Canada*, or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors, or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant and default herein;
- (f) the conduct of any unlawful activity on the Lands;
- (g) any execution, sequestration or other process of any Court becoming enforceable against the Borrower or a distress or analogous process being levied upon the property of the Borrower or any part thereof which is not satisfied or discharged, as the case may be, within 15 days from the date upon which the Borrower receives written notice of the same from the Lender; and
- (h) any other event which, pursuant to the terms of the Mortgage constitutes, or is deemed to constitute, an Event of Default.

18. REMEDIES AND POWERS ON DEFAULT

Upon the occurrence of an Event of Default:

- (a) The whole of the principal monies, interest, and other sums secured hereby shall, at the option of the Lender, become due and payable provided, however, the Lender may elect at its option, to enforce this Mortgage or any collateral security for collection of only outstanding arrears of payments;



- (b) The Lender may forthwith take such proceedings to realize on its security created by this Mortgage or any collateral security, by foreclosing the same or otherwise as it may by law be entitled including an action on the covenants of the Borrower;
- (c) the Lender shall not be required to sell the Lands or any portion thereof in any sequence or order or marshal any Lands or assets secured by this Mortgage or collateral security;
- (d) The Lender at its option may, at the Borrower's expense, and when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos, or stipulations required to be performed or observed by the Borrower hereunder;
- (e) The Lender may enter into possession, either by itself or by its agent, of the Lands and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the Lands or any part thereof for such periods, on such terms, and at such rents as the Lender shall think proper. The power of sale granted under this Mortgage may be exercised either before or after and subject to any such demise or lease;
- (f) It shall and may be lawful for, and the Borrower does hereby grant full power, right and licence to the Lender, to enter, seize and distrain upon the Lands or any part thereof and to seize and distrain upon goods situated thereon, and by distress warrant to recover by way of rent reserved as in the case of demise of the Lands as much of the monies owing hereunder 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 and the Borrower waives all rights to exemptions from distress and seizure under any law and also waives compliance with the provisions of the *Civil Enforcement Act of Alberta*, and any amendment thereto, or any Act passed in amendment or substitution thereof;
- (g) the Lender may at such time or times as the Lender may deem necessary and without the concurrence of any person, enter upon the Lands and may make such arrangements for completing the construction, repairing or, putting in order of any buildings or other improvements on the Lands, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Lands as the Lender may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Lender or other person appointed for the above purposes, shall be forthwith payable to the Lender and shall be a charge upon the Lands and shall bear interest at the Mortgage Rate until paid;
- (h) be entitled, after giving seven clear days notice of its intention (which notice may run concurrent with the notice period required pursuant to the *Land Titles Act of Alberta* in respect of notice of intention to file a certificate in respect of the Power of Attorney) to sell and dispose of the Lands (by public auction and/or private contract) with or without entering into possession of the same; and all remedies competent may be resorted to ; and all the rights, powers and privileges granted to or conferred upon the Lender under and by virtue of any statute or by this mortgage may be exercised; and no want of notice or publication or any other defect, impropriety, or irregularity shall invalidate any sale made or purporting to be made of the Lands and the Lender may sell, transfer and convey any part of the Lands on such terms of credit, or part cash and part credit, secured by contract or agreement or sale or mortgage, or otherwise, as shall in the opinion of the Lender be most advantageous, and for such price as can reasonably be obtained therefore; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Lands to satisfy interest or parts of the Principal Sum overdue, leaving the principal or parts thereof to run with interest payable at the Mortgage Rate; and the Lender may make stipulations as to the title or evidences or




commencement of title or otherwise as the Lender shall deem proper; and the Lender may buy in or rescind or vary any contract for sale of the Lands and any resale thereof; and on any sale or release, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all agreements and assurances that the Lender shall deem advisable or necessary; and in case any sale held by the Lender under and by virtue of the laws of the Province of Alberta under the power of sale herein continued should prove abortive, the Lender may take foreclosure proceedings in respect of the Lands in accordance with the provisions of the laws of the Province of Alberta in that behalf; and in the event of any deficiency on account of the monies secured by this Mortgage remaining due to the Lender after realizing all the Lands, then the Borrower will pay to the Lender on demand the amount of such deficiency with interest at the Mortgage Rate both before and after judgment; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of monies payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Borrower;

- (i) In any action to enforce this Mortgage, service of any notice or legal proceedings on the Borrower may be delivered, at the option of the Lender, to either the address of the Lands, the Borrower's residence or place of business, or the last known address of the Borrower. Provided, however, nothing shall prevent the Lender from serving documents personally or by registered mail or in any other manner permitted by the law;
- (j) The Lender may exercise each of its remedies and powers at any time and from time to time when there shall be default under this Mortgage. This Mortgage shall be in addition to and not in substitution for any other security specifically granted or otherwise given by the Borrower to the Lender and held by the Lender from time to time. No remedy herein conferred to the Lender is intended to be exclusive of any other remedy contained herein or in any collateral security or elsewhere, but each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any other collateral security or hereafter to exist by law or by statute;
- (k) if the Lender is a Corporation, any discretion, option, decision, or opinion under this Mortgage on the part of the Lender shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager or acting manager for the time being of any branch office of the Lender, or any officer, employee or agent appointed by the Lender for that purpose; and
- (l) if the Lender becomes the owner of the Lands by virtue of a final Order for Foreclosure, the Borrower shall nevertheless remain liable to the Lender for any deficiency amounts still owing to the Lender after crediting the value of the Lands against the Mortgage indebtedness and the Borrower waives the benefits of any legislation to the contrary.

19. RECEIVER

At any time and from time to time when there shall be default under the provisions of this Mortgage, the Lender may at such time and from time to time and with or without entry into possession of the Lands or any part thereof, appoint a receiver or a manager or a receiver and manager of the Lands or any part thereof and of the rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Lender shall be deemed to be acting as the agent or attorney for the Borrower. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply:

- (a) the statutory declaration of an officer of the Lender as to default under the provisions of this Mortgage shall be conclusive evidence thereof;
 - (b) every such receiver shall be the irrevocable agent or attorney of the Borrower for the collection of
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all rents falling due in respect of the Lands or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (c) every such receiver may, in the discretion of the Lender, be vested with all or any of the powers and discretions of the Lender;
- (d) the Lender may from time to time, by writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the rents from the Lands or from the proceeds of the judicial sale of the Lands;
- (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Borrower and in no event the agent or attorney of the Lender, and the Lender shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
- (f) the appointment of every such receiver by the Lender shall not incur or create any liability on the part of the Lender to the receiver in any respect, and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Lender a Lender in possession in respect of the Lands or any part thereof;
- (g) every such receiver shall from time to time have the power to rent any portion of the Lands which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Borrower and he shall have authority to execute under seal any lease of such portion of the Lands in the name of and on behalf of the Borrower, and the Borrower undertakes to ratify and confirm whatever any such receiver may do in respect of the Lands;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Lands with the intent that the Lands and the improvements thereon when so completed shall be a complete structure as represented by the Borrower to the Lender for the purpose of obtaining this Mortgage loan;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Borrower for the purpose of securing the payment of rental from the Lands or any part thereof;
- (j) no such receiver shall be liable to the Borrower to account for monies or damages other than cash received by him in respect of the Lands or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Lender, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Lands or any part thereof;
 - (iii) interest, principal and other monies which may from time to time, be or become charged upon the Lands in priority to these presents, and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Lands or any part thereof;

- (iv) to the Lender, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;
- (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency, or lump sum payments or expenses with respect to the Lands; and
- (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Borrower;
- (k) save as to claims for an accounting under sub-clause (j) of this clause, the Borrower hereby releases and discharges the Lender and every such receiver from every claim of every nature which may arise or accrue to the Borrower or any person claiming through or under the Borrower by reason or as a result of anything done by the Lender or any such receiver under the provisions of this clause, unless such claim be the direct and proximate result of dishonesty or gross neglect;
- (l) the power of sale, foreclosure and any other remedies of the Lender may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder;
- (m) the Lender may exercise each or any of the foregoing powers and remedies and may do so without notice to the Borrower.

20. ASSIGNMENT OF LEASES AND RENTS. AND WARRANTIES

If the Lands or any portion thereof now or at any time hereafter produces rental revenue or is intended to produce rental revenue, then the Borrower hereby assigns, transfers, and sets over unto the Lender all leases already in existence, and those to be created in the future, and all rents due or accruing due or at any time hereafter to become due under all leases or tenancies, present and future, now existing or at any time hereafter made in respect of the Lands or any part thereof together with all warranties and guarantees relating thereto or to the Lands, to have and to hold unto the Lender until all monies owing and all obligations of the Borrower in respect of this Mortgage have been fully paid and fulfilled, subject to the following terms and conditions:

- (a) The Lender shall under no circumstances become a Lender in possession, or liable to account to the Borrower or credit the Borrower with any monies on account of this Mortgage except those which shall come into its hands, and subject to all deductions and payments made out of the rentals received from the Lands as herein provided;
- (b) The Lender may exercise the rights conferred upon it under this clause without the formal appointment of a receiver under other provisions of this Mortgage and without the necessity of first commencing legal proceedings with respect to the Borrower's default giving rise to the Lender's right to give notice to tenants under this clause;
- (c) Although this is a present assignment, the Lender shall not exercise its rights hereunder until the Lender determines that default has been made under the Mortgage and at its option decides to exercise its rights;
- (d) The Borrower shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any lease, leases, or tenancies, now or hereafter existing in respect of the Lands or the rents or revenues due or to become due thereunder, or any part thereof, other than to the Lender; nor shall the Borrower grant any general assignment of book debts which would cover such rentals;
- (e) The Borrower shall not collect more than two (2) months rental in advance;




- (f) Neither the taking of this assignment nor anything done in pursuance hereof shall make the Lender liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the said leases or tenancies or any of them;
- (g) The exercise of this clause or of any collateral security with respect to rentals shall not entitle the Borrower to redeem this Mortgage nor shall it be deemed to be an acceleration of the Mortgage indebtedness;
- (h) The Borrower will from time to time on demand furnish the Lender with a current list of all leases in such detail as the Lender requires;
- (i) The Borrower will give the Lender prompt notice of any default by any lessee that has not been corrected within thirty (30) days from the date of default;
- (j) The Borrower appoints the Lender as its Irrevocable Power of Attorney for the purposes of enforcing this clause; and
- (k) In the event the Borrower has granted the Lender a separate Assignment of Leases and Rents, then nothing herein shall prejudice or limit the Lender's rights to proceed under such other instrument and in the event of a conflict between the terms of this clause and such other instrument then the Lender shall be entitled to determine which prevails.

21. CROSS-DEFAULT

A default by the Borrower hereunder shall constitute a default under all other instruments or agreements, if any, securing and/or evidencing the loan herein and a default by the Borrower under any such instruments or agreements shall constitute a default hereunder and in particular a default under any of the terms of any loan Commitment Letter or agreement between the Borrower and the Lender pursuant to which this Mortgage is granted shall constitute a default hereunder and a default hereunder shall constitute a default in the said Commitment Letter or agreement.

22. EXPENSES

All expenses, fees, charges, contingent liabilities, or payments incurred, expended, suffered, or paid by the Lender (whether with the knowledge, consent, concurrence, or acquiescence of the Borrower or otherwise) with respect to the following matters, that is to say:

- (a) all solicitors', inspectors', valuers', and surveyors' fees and expenses for drawing, registering, or renewing this Mortgage and for examining the Lands and the title thereto, and for making or maintaining this Mortgage a first charge (or subject only to the prior encumbrances acceptable to the Lender);
 - (b) all sums which the Lender may advance for insurance premiums, property taxes, or rates;
 - (c) all sums which the Lender may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Lands or on this Mortgage or against the Lender in respect of this Mortgage;
 - (d) all sums which the Lender may expend in maintaining, repairing, restoring or completing the construction on the Lands;
 - (e) the cost of inspecting, leasing, managing, selling, or improving the Lands, including the price or value of any goods or services of any sort or description supplied for use on the Lands;
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- (f) present or future liability to the Lender resulting from the issuance of Letter of credit and or Letters of Guarantee on behalf of the Borrower or its Guarantors or arranging such Letters through other lending institutions;
- (g) all sums paid to a receiver of the Lands;
- (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy, or purpose hereunder provided or implied, and including an allowance for the time, work, and expenses of the Lender or any agent or employee of the Lender, for any purpose provided for herein; and
- (i) all costs resulting from the default of the Borrower including legal fees on a solicitor and his own client basis incurred, or paid, or owing by the Lender as a result of any default hereunder or under any other security for this loan, or of endeavouring to collect with or without suit any money payable hereunder, or of taking, recovering or keeping possession of the Lands, and generally in any other proceedings, matter, or thing taken or done to protect or realize this security or any other security for this loan;

together with interest thereon at the Mortgage Rate, are deemed secured hereby and shall be or constitute a charge or charges against the Lands, and all such monies shall be repayable to the Lender on demand, or if not demanded, then with the next ensuing installment except as herein otherwise provided. All such sums together with interest thereon and all other monies payable by the Borrower under this Mortgage shall be deemed to constitute part of the mortgage monies and are added to and include in the Principal Sum secured hereby.

23. ATTORNEY

As further assurance to the rights and remedies granted by the Borrower to the Lender, the Borrower, as the registered owner of the Lands, hereby irrevocably appoints the Lender, on its own behalf, or any receiver or manager or receiver and manager appointed by the Lender attorney on behalf of the Borrower to sell, lease, mortgage, transfer, or convey the Lands in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters, and things that may be necessary for carrying out the powers hereby given and for the recovery of all rents and sums of money that may become or are now due or owing to the Borrower in respect of the Lands, and for the enforcement of all contracts, covenants, or conditions binding on any lessee or occupier of the Lands or on any other person in respect of it, and for the taking and maintaining possession of the Lands, and for protecting it from waste, damage, or trespass.

24. ATTORNMENT

For better securing the punctual payment of the monies owing by the Borrower hereunder, the Borrower hereby attorns and becomes tenant to the Lender of the Lands at a monthly rental equivalent to the monthly installments secured hereby, the same to be paid on each day appointed for the payment of monthly installments secured hereby, and if any judgment, execution or attachment shall be issued against any of the goods or Lands of the Borrower or if the Borrower shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* 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 Lender and the Borrower. The Lender may at any time after default hereunder enter upon the Mortgaged Premises, or any part thereof, and determine the tenancy hereby created without giving the Borrower any notice to quit; but neither this clause nor anything done by virtue thereof, shall render the Lender a Lender in possession or accountable for any monies except those actually received.

25. HAZARDOUS SUBSTANCES AND INDEMNITY

The Borrower represents and warrants to the Lender that:



- (a) neither the Borrower nor, to the best knowledge of the Borrower, has any other person ever caused or permitted any Hazardous Substances to be placed, held, located, or disposed of on, under, or at the Lands and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of Hazardous Substances) and that no enforcement actions in respect thereof are threatened or pending; and
- (b) the Borrower agrees to abide by and adhere to all environmental laws and regulations applicable to the Lands including laws respecting the disposal and emission of Hazardous Substances and will promptly advise the Lender of any environmental compliance orders issued concerning the Lands and will take such action as is required to comply with these orders.
- (c) "Hazardous Substances" means any substance which is hazardous to persons or property and includes without limiting the generality of the foregoing:
 - (i) radioactive materials;
 - (ii) explosives;
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish, or plant;
 - (iv) any solid, liquid, gas, or odor, or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - (1) endangers the health, safety or welfare of persons or the health of animal life;
 - (2) interferes with normal enjoyment of life or property; or
 - (3) causes damage to plant life or to property;
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Borrower, the Lender, or the Lands.
- (d) The Borrower indemnifies and saves harmless the Lender, its directors and officers, and the Lender's successors and assigns from and against any and all losses, liabilities, damages, costs (including without limitation legal costs on a solicitor and how own client basis including disbursements and applicable taxes) and expenses of any kind whatsoever including, without limitation:
 - (i) the costs of defending, counter-claiming, or claiming against third parties in respect of any action or matter including legal fees, costs, and disbursements on a solicitor and his own client basis and at all court levels;
 - (ii) any cost, liability or damage arising out of a settlement of any action entered into by the Lender with or without the consent of the Borrower and;



- (iii) the costs of repair, clean-up, or restoration paid by the Lender and any fines levied against the Lender;

which at any time or from time to time may be paid, incurred or asserted against the Lender, as a direct or indirect result of the breach of this charge by the Borrower or of the presence on or under, or the escape, seepage, disposal, use, generation, storage, leakage, spillage, discharge, emission, release or threatened release, of Hazardous Substances on or from the Lands either onto any lands (including the Lands), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of this Mortgage or any collateral security and the full repayment of the Mortgage monies.

26. RECORDS

Subject to the provisions of any Commitment Letter between the Lender and the Borrower, if the Borrower derives income from the Lands, the Borrower will maintain full and correct books and records showing in detail the earnings and expenses of the Lands, and will permit the Lender and its representatives to obtain lease information from tenants and to examine the said books and records and all supporting vouchers and data at any time and from time to time upon requests by the Lender, and at any time and from time to time the Borrower will furnish the Lender at its request within thirty (30) days of such request, a statement showing in detail all such earnings and expenses since the last such statement, verified by Statutory Declaration of the Borrower, or the chief executive officer of the Borrower, if the Borrower is a corporation.

27. MANAGEMENT

If the Borrower derives income from the Lands then, subject to the terms of the Commitment Letter, the Lands must, at all times, be professionally managed, leased and operated to a standard acceptable to the Lender failing which, the Lender reserves the right at its sole discretion to appoint new property managers at the sole expense of the Borrower.

28. ASSUMPTION

No sale or other dealings by the Borrower of the Lands or any part thereof shall in any way change the liability of the Borrower or alter the rights of the Lender against the Borrower or any other person liable for payment of the monies owing or the performance of the obligations hereby secured. Upon the sale of the Lands the Lender in its discretion and with or without notice to or the consent of the Borrower may enter into an agreement with anyone to assume this Mortgage, to grant an extension of time, or to change the rate of interest, or to alter or amend in any way the terms of payment of this Mortgage, or waive the performance of any covenants herein, or surrender, release, or omit to perfect or enforce any security or remedies which the Lender may now or hereafter have; and may discharge, either with or without payment, part or all of the Lands as the Lender may think best, without prejudice to or in any way limiting or lessening the liability of the Borrower, any surety, guarantor or any other person liable for payment. The Lender shall incur no liability to any person by reason of anything aforesaid, and any agreement or liability aforesaid shall continue in full force as long as any money remains unpaid on this Mortgage, but the Lender shall not be bound to exhaust its recourse against the Borrower or other parties, or the security it may hold, before being entitled to payment from any surety or guarantor of the amounts secured

29. RENEWAL OR AMENDMENT

If the Lender agrees to renew, extend, or amend this Mortgage, such renewal, extension, or amending agreement need not be registered against the title to the Lands. Such agreement will be

binding upon the Borrower and assigns and all subsequent lenders, encumbrancers, or other parties claiming an interest in the Lands. Such agreement will take priority as against such assignees and subsequent lenders, encumbrancers, or other parties. It will not be necessary to register such agreement in order to retain the priority of this Mortgage so altered, provided, however, that the Lender may at any time, in its discretion, register such agreement by caveat or a mortgage amending agreement. It is expressly acknowledged that such agreement may increase the rate of interest chargeable hereunder and alter the manner of its repayment. All such renewals shall be done at the Borrower's expense. No such renewal, even if made by an assignee of the Borrower, shall in any way release or render unenforceable the covenants or obligations of the Borrower which shall continue notwithstanding such renewal or amendment.

30. FUNDING INTO TRUST

If all or any portion of the Principal Sum is advanced by the Lender to be held by the Lender's solicitor in trust as a result of verbal or written request of the Borrower or the Borrower's solicitor, then the Borrower shall pay to the Lender interest accrued on the amounts so advanced at the Mortgage Rate from the date of advance by the Lender notwithstanding that the funds continue to be held in trust and not advanced to the Borrower or the Borrower's solicitor.

31. MAXIMUM RETURN TO LENDER

The Borrower acknowledges and agrees that the payment of interest or any bonus and further consideration to the Lender is a fair payment based on the business terms of this loan. The Borrower and the Lender hereby acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Lender whether for interest, fees, bonus, participation, additional consideration or otherwise, exceed the maximum payment permitted by law and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Commitment Letter, or any security documents or other agreements, the maximum amount payable to the Lender shall not exceed the maximum allowable return permitted under the laws of Canada and the provisions of this Commitment Letter shall be modified and are deemed to be modified to the extent necessary to effect the foregoing. Any payment of interest that exceeds the maximum referred to above, shall be deemed to be a payment on account of the Principal Sum.

32. RELEASE OF SECURITY


The Lender may at any time release any part of the Lands, or any of the covenants and agreements herein contained, or any collateral security, either with or without any consideration 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 part of the Lands or any of the other covenants or agreements herein contained or releasing any surety or any other security.

33. WAIVER

No extension of time, waiver, or other indulgence given by the Lender to the Borrower, or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower, any guarantor, or any other person liable for payment of the monies hereby secured and any such waiver shall apply only to the particular breach so waived.

34. JUDGMENT

The taking of a judgment on any of the covenants or agreements contained herein shall not operate as a merger thereof or effect the Lender's rights to interest at the Mortgage Rate and at the times provided herein nor shall the doctrine of res judicata apply against the Lender. The Borrower waives all relevant provisions of the *Interest Act of Canada* or any legislation similar thereto or in



replacement thereof.

35. SEVERABILITY

If any provision of this Mortgage shall be found to be or be deemed illegal or invalid, the remainder of the Mortgage shall not be affected thereby.

36. DUE ON SALE

Unless the Lender has otherwise agreed to the repayment of the loan from the closing of sales of individual units or lots comprising the Lands, in the event of the Borrower selling or agreeing to sell, transferring, conveying, assigning, or otherwise disposing of the Lands or any part thereof, without the prior written consent of the Lender, the full amount secured hereunder, including principal and interest, shall immediately become due and payable at the option of the Lender. In the case of a corporate Borrower, any change in control of the corporation shall constitute a default under this clause. Nothing herein shall be construed as permitting the Borrower to prepay this Mortgage. Acceptance by the Lender of any installment payment or other payment under this Mortgage from any entity other than the Borrower shall not constitute a waiver by the Lender of its rights under this clause, nor a consent by the Lender of any such sale or disposal of the Lands as above described.

37. DISCHARGE


The Lender shall have a reasonable time after payment of the Mortgage monies in full within which to prepare and execute a discharge or partial discharge of the Mortgage. Interest at the Mortgage Rate shall continue to run and accrue until actual payment in full has been received by the Lender. Any payment that is received after 12 noon on any date shall be deemed for the purpose of calculation of interest to have been made and received on the next bank business day. To the extent permitted by law, all legal and other expenses for the preparation and execution of such discharge or partial discharge shall be borne by the Borrower; and

38. COMMITMENT LETTER

The Borrower agrees that the terms and conditions of any Commitment Letter (if any) issued by the Lender, (the 'Commitment Letter') shall survive the execution and registration of this Mortgage and shall continue to be in full force and effect. The obligations of the Commitment Letter are secured by this Mortgage. Default by the Borrower of any of the terms or requirements contained in the Commitment Letter shall constitute a default hereunder. In the event there is a conflict between the terms and conditions of this Mortgage and the Commitment Letter, the terms and provisions of the Commitment Letter shall prevail and govern. Reference to the 'Commitment Letter' includes the Commitment Letter and all subsequent letters of amendments thereto.

39. SUCCESSORS AND ASSIGNS

Where this Mortgage is executed by more than one party all covenants and agreements herein shall be construed and taken as against such executing parties as being 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, and provisos contained herein. The Lender may assign and transfer its rights under this Mortgage, in whole or in part, without prior notice to or the consent of the Borrower.



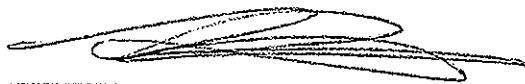
40. RECEIPT OF MORTGAGE

The Borrower acknowledges receipt of a true copy of this Mortgage.

41. CHARGE

For better securing to the Lender repayment of the Principal Sum, interest, and other monies and obligations hereby secured, the Borrower does hereby Mortgage and charge to the Lender all of the Borrower's estate and interest in the Lands together with the benefits and advantages of all easements, franchises, and privileges now or hereafter pertaining thereto. The charge hereof shall take effect upon execution of this Mortgage.

IN WITNESS WHEREOF, the Borrower has executed this Mortgage and affixed its seal as of this 2nd day
of October, 2005.



Witness

EDEN LAKE PROJECTS INC.

Per: 

Per: _____

LAND SCHEDULE

The Lands are legally described as follows:

PLAN 8520616

BLOCK 1

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

A handwritten signature or mark, possibly a stylized 'L' or 'J', located in the bottom right corner of the page.