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April 12, 2021
Justice Romaine

COURT FILE NUMBER

1801-04745

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF/DEFENDANT BY
COUNTERCLAIM

HILLSBORO VENTURES INC.

DEFENDANT/PLAINTIFF BY
COUNTERCLAIM

CEANA DEVELOPMENT SUNRIDGE INC.

DOCUMENT

**RESPONSES TO UNDERTAKINGS – QUESTIONING
OF BAHADUR GAIDHAR**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Derek Pontin / John Regush
Ph. (403) 268-6301/7086 Fx. (403) 268-3100
File No.: 559316-3

REQUEST FOR UNDERTAKINGS

大成 DENTONS

Derek Pontin

derek.pontin@dentons.com
D +1 403 268 6301

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

November 27, 2020

File No.: 559316-3

SENT VIA E-MAIL: tfglenn@lgc-law.com

Low, Glenn & Card LLP
100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

**RE: In the Matter of the Receivership of Ceana Development Sunridge Inc. ("Ceana Sunridge")
QB Action No. 1801-04745
Request for Undertakings**

Further to the questioning of your client Bahadur (Bob) Gaidhar held on November 26, 2020, below is a list of the undertakings that were provided:

UNDERTAKING NO. 1 – Provide the letter from Torys dated November 6, 2020 inclusive of the attached accounting called "Ceana Development Sunridge Inc. in Receivership".

UNDERTAKING NO. 2 – Provide copies of any financial statements for Ceana Sunridge up to the date of the receivership that may have been produced.

UNDERTAKING NO. 3 – Provide a copy of the general ledger for Ceana Sunridge for the years prior to the receivership to the extent same may exist.

UNDERTAKING NO. 4 [UNDER ADVISEMENT] – Advise which family members loaned Ceana Sunridge money at the time of acquisition of the lands.

UNDERTAKING NO. 5 [UNDER ADVISEMENT] – Advise how much was borrowed from family members at the time of the acquisition of the lands.

UNDERTAKING NO. 6 – Provide copies of the intercompany cheques where monies were loaned to Ceana Sunridge by related companies.

UNDERTAKING NO. 7 [UNDER ADVISEMENT] – Provide documentation (loan documents, security documents, promissory notes, etc.) that substantiates the loans granted from family members.

UNDERTAKING NO. 8 – Provide a copy of the management agreement between Bob Gaidhar and Ceana Sunridge.

UNDERTAKING NO. 9 – Provide copies of any agreements entered into with Mr. Paramjit Gill.

For your reference, please find enclosed a copy of the Undertakings as recorded by the Court Reporter.


Please provide responses to these undertakings as soon as possible. You are aware of the Order of Madam Justice Eidsvik and the requirement that responses to undertakings be provided as soon as possible after examinations.

Further, you will recall you objected to certain questions posed to Mr. Gaidhar. In your words, you intended to discuss Mr. Gaidhar's evidence with him before he would respond. You indicated his response would be provided by 11:00 a.m. today.

This was irregular and improper. The writer's questions were appropriate and your interference with Mr. Gaidhar's testimony was egregious. 11:00 a.m. has passed and responses to the questions posed and refused are demanded forthwith.

I look forward to hearing from you.

Yours truly,
Dentons Canada LLP

DocuSigned by:

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Derek Pontin

DMP

c. Client

1 COURT FILE NUMBER 1801-04745
2
3 COURT COURT OF QUEEN'S BENCH OF ALBERTA
4
5 JUDICIAL CENTRE CALGARY
6
7 PLAINTIFF HILLSBORO VENTURES INC.
8
9 DEFENDANT CEANA DEVELOPMENT SUNRIDGE INC.
10
11
12

13
14 Transcript of Oral Questioning of
15 BAHADUR GAIDHAR
16 (On affidavits affirmed October 30, 2020,
17 and November 23, 2020)
18 Held via videoconferencing
19 November 26, 2020
20

- I N D E X -

BAHADUR GAIDHAR

November 26, 2020

The following is a listing of exhibits, undertakings and objections as interpreted by the Court Reporter.

The transcript is the official record, and the index is provided as a courtesy only. It is recommended that the reader refer to the appropriate transcript pages to ensure completeness and accuracy.

EXHIBITS

(No exhibits were marked)

UNDERTAKINGS REQUESTED

UNDERTAKING NO. 1 - To provide the letter from 8
Torys dated November 6, 2020, that has an
accounting attached called "Ceana Development
Sunridge Inc. in Receivership"

UNDERTAKING NO. 2 - To provide copies of any 20
financial statements for Ceana Sunridge up to the
date of receivership that may have been produced

1	UNDERTAKING NO. 3 - To produce along with any	20
2	general ledger for Ceana Sunridge for the years	
3	which it may exist prior to receivership	
4		
5	UNDERTAKING NO. 4 - To advise which family members	30
6	loaned Ceana Sunridge money at the time of	
7	acquisition - TAKEN UNDER ADVISEMENT	
8		
9	UNDERTAKING NO. 5 - To advise how much was	30
10	borrowed from family members at the time of	
11	acquisition - TAKEN UNDER ADVISEMENT	
12		
13	UNDERTAKING NO. 6 - To provide copies of the	34
14	intercompany cheques where moneys were loaned to	
15	Ceana Sunridge by related companies	
16		
17	UNDERTAKING NO. 7 - To provide any documentation	34
18	that substantiates, whether it's a loan document,	
19	a security document, a promissory note, anything	
20	like that that relates to the family money, the	
21	loan from the family member - TAKEN UNDER	
22	ADVISEMENT	
23		
24		
25		

1 UNDERTAKING NO. 8 - To provide a copy of the 41
2 management agreement with Ceana Sunridge

4 UNDERTAKING NO. 9 - To provide a copy of any 49
5 agreement that was entered into with Mr. Paramjit
6 Gill

Trojanoski, Terry

From: "Pontin, Derek"
Sent: December 3, 2020 2:17 PM
To: Tanya Fernandez
Cc: Thomas F Glenn
Subject: RE: Hillsboro v. Ceana Sunridge

Hi Tom,

I am following up on the below. Most of your client's responses to undertakings remain outstanding.

For certainty, Undertakings #1, #2, and #3 are outstanding; #4 and #5 were responded to in part by your letter (and you received my email below in reply); #6 and #7 are outstanding; #8 was received (the management agreement); and #9 is outstanding.

As you know, the answers to these undertakings are to be provided forthwith under the scheduling order. We have a final filing deadline of tomorrow, for Reply Briefs, and I would like to make sure all undertakings are compiled and filed before that date as well. Please confirm deliveries are accordingly being attended to.

Thank you
Derek



Derek Pontin
Partner

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From: "Pontin, Derek"
Sent: November 27, 2020 3:15 PM
To: Tanya Fernandez <tanya@gclawyers.ca>

Cc: Thomas F Glenn <tfglenn@gclawyers.ca>

Subject: RE: Hillsboro v. Ceana Sunridge

Hi Tom,

Thank you for your letter. You will have seen my letter to you from earlier, requesting responses to undertakings. To correct a few points you've raised:

- Your undertaking was provided to deliver the pre-receivership financial statements *and general ledger*. Specifically, the undertaking to provide the general ledger was not refused. We look forward to the same.
- In respect of the so-called "pre-Hillsboro list of receivables", this incorrectly characterizes our request. We were/are seeking information to substantiate the actual use of purchaser deposits by Mr. Gaidhar. You have refused to allow him to testify on that point. The transcript reflects this issue adequately. It need not be dealt with further in this correspondence.
- In respect of the monies invested by and then repaid to Shameer, please confirm the following:
 - o Under what terms were the monies invested? Was there a loan agreement? Was there any security?
 - o When did the loan occur? When was it repaid?
 - o Does the loan and repayment appear anywhere on the Receiver's sources and uses analysis?
 - o What funds were used to repay Shameer? Was it funds from Hillsboro financing? Was it purchaser deposits?

I am asking the questions above by email for expediency. You can appreciate Hillsboro would have the right to examine further on refusals and responses to undertakings. If we can obtain the information we are seeking through written correspondence, and have your client's confirmation his answers are provided truthfully and as if he were under oath, we may be able to reduce the amount of further examinations required.

Thank you
Derek

 **Derek Pontin**
Partner

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From: Tanya Fernandez <tanya@gclawyers.ca>

Sent: November 27, 2020 2:21 PM

To: Pontin, Derek <derek.pontin@dentons.com>

RESPONSE TO UNDERTAKING NO. 1

November 6, 2020

VIA E-MAIL

Glenn & Card Law LLP
100 - 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

**Re: In the Matter of the Receivership Proceedings of Ceana Development Sunridge Inc.
Alberta Court of Queen's Bench Action No. 1801-04745
Commercial Condominium Project located at 2255 – 32 Street NE, Calgary, Alberta (the "Project")**

Further to the email of your client, Bob Gaidhar, dated November 3, 2020, and his queries noted therein, we have set forth below responses to same for your/his consideration. As noted, most of the inquiries that Mr. Gaidhar proposed have been asked and answered, previously. Nonetheless, we will again respond to his questions and requests; however, we would appreciate it if Mr. Gaidhar would be cognizant of the costs that are being incurred to the detriment of the receivership estate as a result of the Receiver having to prepare letters/responses for queries which the Receiver has already spent a tremendous amount of time to attend to and answer in the past.

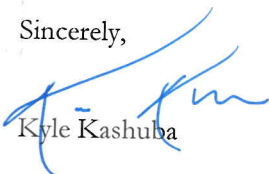
	Mr. Gaidhar's Query	Receiver's Responses / Follow-up Queries
1.	Firstly, you have confirmed that your numbers are very close to the numbers Hillsboro is claiming. I want to see your details as to how you arrived at those numbers.	On October 25, 2020, the Receiver provided Mr. Gaidhar with its schedules that outline in great detail how the Receiver arrived at the numbers that it did, and which source documentation was used to do complete these schedules. If Mr. Gaidhar would like to see specific source documentation, we kindly request that he provide the Receiver with a list of what exactly it is that he is looking for – the Receiver would be pleased to share same with him. For ease of reference, we have re-attached the Receiver's schedules, which, as noted, were provided to Mr. Gaidhar previously – please see Exhibit "A" for same.
2.	Our forensic accounting summary was filed with the court on Friday which clearly indicates the amount that was advanced from	Could you please share the subject analysis in Excel form? It would be helpful for the Receiver's review.

	the mortgages. The project was starved of funding.	
3.	Secondly, I need the details of the project sales, if fully sold and the cost of construction including all receiver fees and legal fees estimations as I am obliged to provide this to my investors. I need full analysis based on future sales.	The Receiver intends to provide Mr. Gaidhar with an updated analysis on what was previously provided to Mr. Gaidhar on this request, in due course. Mr. Gaidhar can expect to have same by the end of next week (November 13, 2020).
4.	Since the project has really delayed, why would it incur the interest.	Based on the Receiver's knowledge on how loans generally work, the delay of the Project does not stop the calculation of interest. The Receiver has noted that interest accrues per the terms of the signed mortgage agreements. If there is some authority that Mr. Gaidhar is relying on that relieves the Debtor of the obligation to pay interest, please advise.
5.	Thirdly, I need to know how you went forward and decide the changes regarding the 5th building. To me the 2nd and 3rd report does not give me full details.	The Receiver provided its rationale in the Receiver's Second Report as well as in the letter we sent to you on April 22, 2020 – a copy of which is attached hereto as Exhibit "B". All stakeholders agreed that this was the best approach and no concerns were raised in Court during the subject Application.

In addition, please note that the Receiver may update the Source and Uses Analysis if it receives additional information from Mr. Gaidhar or other stakeholders that warrants an update to the Court. In addition, the Receiver disclosed all of the information related to the Source and Uses Analysis in its possession in Appendix F of the Receiver's Third Report. We encourage Mr. Gaidhar to review this information closely and carefully, and to specify any issue or issues that he takes with same.

We trust that the foregoing is clear, but should you have any questions or comments, please advise. Also, we would appreciate it if you could kindly confirm receipt of this letter.

Sincerely,



Kyle Kashuba

KK/enclosures

cc: The Receiver, Attention: Orest Konowalchuk and David Williams (via email)

Exhibit "A"
Receiver's Analysis Schedules

[See attached]

Ceana Development Sunridge Inc. (in receivership)
Analysis of Hillsboro Secured Claim Quantum as at June 5, 2019

DRAFT AND CONFIDENTIAL
FOR DISCUSSION PURPOSES ONLY

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at June 5, 2019

Ceana Development Sunridge Inc. (in Receivership)

CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
BLG Trust Account Advances						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
Total Advances	\$ 3,000,000	\$ 2,000,000	\$ 1,500,000	\$ 6,500,000		
BLG Trust Account Disbursements						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)	1	1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)	2	5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
Total Disbursements	A \$ (3,000,000)	\$ (2,000,000)	\$ (1,500,000)	\$ (6,500,000)		
Accrued Interest and Fees						
Estimated Compound Interest - Loan Advance Date to June 5, 2020	(1,428,854)	(729,783)	(626,685)	(2,785,322)	3	3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(141,225)	(84,000)	(292,725)		9
Monitoring Fees	(229,950)	(52,500)	(55,125)	(337,575)		5, 7, 9
Total Accrued Interest and Fees	B \$ (1,176,304)	\$ (653,508)	\$ (563,310)	\$ (2,393,122)		
Dentons Trust Funds deducted from Total Loan Accrual	C -	-	664,626	664,626		12
Estimated Amount Outstanding as at June 5, 2019	(A+B+C) \$ (4,176,304)	\$ (2,653,508)	\$ (1,398,684)	\$ (8,228,496)		

Notes

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.

Source Documents Referenced for Analysis

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel (Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

Note:

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Total Funds Advanced	\$ 3,000,000.00		
Disbursed and Withheld by BLG			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)	2,3,4	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	\$ (3,000,000.00)		
Compound Interest - Jan 12, 2017 Advance Date to June 5, 2019	(1,428,853.93)	5	A&M Estimate. \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4); Ferrel affidavit of default (Page : Para.3/4/5).
Add back amount withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Forbearance and Legal Fees	(67,500.00)		Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to June 5, 2019)	(229,950.00)		Forbearance Agreement - Article 3.3(m).
	\$ (1,176,303.93)		
Total Estimated Amount Outstanding Under Loan #1 As of June 5, 2019	\$ (4,176,303.93)		

Notes

- 1 - Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement

Exhibit 3: \$3M Facility (Loan # 1) Interest Schedule

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 3,000,000.00	\$ -	(550,000.00)
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	(520,967.74)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	(475,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	(430,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	(385,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	(340,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	(295,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	(250,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	(205,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	(160,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	(115,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	(70,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	(16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	263,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	583,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,527.67	859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	1,152,415.09
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 10,238.83	\$ -	\$ 13,650	\$ 4,176,303.93	\$ 1,428,853.93	1,176,303.93

Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest			
	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Funds Received	2,000,000.00		
Disbursed and Withheld by BLG			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	\$ (2,000,000.00)		
Compound Interest - July 5, 2017 Accrual Date to June 5, 2019	(729,783.23)	1,2,3,4	A&M Estimation. \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to June 5, 2019)	(141,225.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to June 5 2019)	(52,500.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	\$ (653,508.23)		
Total Estimated Amount Outstanding Under Loan #2 As of June 5, 2019	\$ (2,653,508.23)		

Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5: \$2M Facility Interest Schedule

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,300,000.00	\$ -	(270,000.00)
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	(248,816.13)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	(227,216.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	(195,116.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	(163,016.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	(130,916.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	(98,816.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	(66,716.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	(34,616.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	(2,516.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	29,583.87
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	62,127.63
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	127,709.54
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	161,725.19
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	196,251.06
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	231,294.83
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	266,864.25
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	338,142.22
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	375,314.35
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	413,044.07
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	488,089.73
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	527,511.07
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	567,523.74
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	644,886.59
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 6,521.64	\$ -	\$ 2,100	\$ 2,653,508.23	\$ 729,783.23	653,508.23

Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	\$ (1,500,000.00)		
Compound Interest - November 7, 2017 Advance Date to June 5, 2019	(626,684.66)	1,2,3	A&M Estimation. \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Forbearance Fees (Up to June 5 2019)	(84,000.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to June 5 2019)	(55,125.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	\$ (563,309.66)		
Total Amount Outstanding Under Loan #3 As of June 5, 2019	\$ (2,063,309.66)		

Notes

1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017

2 - Interest assumed to be 30% compounded monthly from October 9 2018 to June 5, 2019

3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.

4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,500,000.00	\$ -	(202,500.00)
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 173,467.74	(8,032.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 195,967.74	17,092.74
August 1 2018	18%	\$ 22,756.39	\$ -	\$ 2,625	\$ 1,542,474.13	\$ 218,724.13	42,474.13
September 1 2018	18%	\$ 23,137.11	\$ -	\$ 2,625	\$ 1,568,236.25	\$ 241,861.25	68,236.25
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ 2,625	\$ 1,619,584.79	\$ 265,384.79	119,584.79
November 1 2018 (30% interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ 2,625	\$ 1,658,519.83	\$ 301,694.83	158,519.83
December 1 2018	30%	\$ 41,463.00	\$ -	\$ 2,625	\$ 1,702,607.83	\$ 343,157.83	202,607.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ 2,625	\$ 1,747,798.03	\$ 385,723.03	247,798.03
February 1 2019	30%	\$ 43,694.95	\$ -	\$ 2,625	\$ 1,794,117.98	\$ 429,417.98	294,117.98
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ 2,625	\$ 1,869,945.93	\$ 474,270.93	369,945.93
April 1 2019	30%	\$ 46,748.65	\$ -	\$ 2,625	\$ 1,919,319.57	\$ 521,019.57	419,319.57
May 1 2019	30%	\$ 47,982.99	\$ -	\$ 2,625	\$ 1,969,927.56	\$ 569,002.56	469,927.56
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ 2,625	\$ 2,052,250.75	\$ 618,250.75	552,250.75
July 1 2019 (For June 1 - June 5 Period]	30%	\$ 8,433.91	\$ -	\$ 2,625	\$ 2,063,309.66	\$ 626,684.66	563,309.66

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(51,337)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
Closing Funds	\$ 664,626

Ceana Development Sunridge Inc. (in receivership)
Analysis of Hillsboro Secured Claim Quantum as at October 31, 2020

DRAFT AND CONFIDENTIAL
FOR DISCUSSION PURPOSES ONLY

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at October 31, 2020
Ceana Development Sunridge Inc. (in Receivership)
CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
BLG Trust Account Advances						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
Total Advances	\$ 3,000,000	\$ 2,000,000	\$ 1,500,000	\$ 6,500,000		
BLG Trust Account Disbursements						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)	1	1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)	2	5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
Total Disbursements	A \$ (3,000,000)	\$ (2,000,000)	\$ (1,500,000)	\$ (6,500,000)		
Accrued Interest and Fees						
Estimated Compound Interest - Loan Advance Date to October 31, 2020	(2,644,644)	(1,513,322)	(1,617,685)	(5,775,651)	3	3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(324,975)	(236,250)	(628,725)		9
Monitoring Fees	(434,700)	(84,000)	(94,500)	(613,200)		5, 7, 9
Total Accrued Interest and Fees	B \$ (2,596,844)	\$ (1,652,297)	\$ (1,745,935)	\$ (5,995,076)		
Repayment of Dentons Trust Funds to Hillsboro	C -	-	611,986	611,986	5	12
Estimated Amount Outstanding as at October 31, 2020	(A+B+C) \$ (5,596,844)	\$ (3,652,297)	\$ (2,633,950)	\$ (11,883,090)		

Notes

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield.
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty.
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.
- 5 - Trust funds paid to Hillsboro on April 9, 2020.

Source Documents Referenced for Analysis

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel (Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

Note:

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest			
	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Total Funds Advanced	\$ 3,000,000.00		
Disbursed and Withheld by BLG			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)	2,3,4	McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	\$ (3,000,000.00)		
Compound Interest - Jan 12, 2017 Advance Date to October 31, 2020	(2,644,643.56)	5	A&M Estimate. \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4); Ferrel affidavit of default (Page 2 Para.3/4/5).
Add back amount withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Forbearance and Legal Fees	(67,500.00)		Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to October 31, 2020)	(434,700.00)		Forbearance Agreement - Article 3.3(m).
	\$ (2,596,843.56)		
Total Estimated Amount Outstanding Under Loan #1 As of October 31 2020	\$ (5,596,843.56)		

Notes

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1)
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement .

Exhibit 3: \$3M Facility (Loan # 1) - Interest Schedule							
Interest Accrual Date	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 3,000,000.00	\$ -	(550,000.00)
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	(520,967.74)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	(475,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	(430,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	(385,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	(340,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	(295,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	(250,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	(205,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	(160,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	(115,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	(70,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	(16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	263,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	583,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,527.67	859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	1,152,415.09
July 1 2019	18%	\$ 62,286.23	\$ -	\$ 13,650	\$ 4,228,351.32	\$ 1,480,901.32	1,228,351.32
August 1 2019	18%	\$ 63,425.27	\$ -	\$ 13,650	\$ 4,305,426.59	\$ 1,544,326.59	1,305,426.59
September 1 2019	18%	\$ 64,581.40	\$ -	\$ 13,650	\$ 4,383,657.99	\$ 1,608,907.99	1,383,657.99
October 1 2019	18%	\$ 65,754.87	\$ -	\$ 13,650	\$ 4,463,062.86	\$ 1,674,662.86	1,463,062.86
November 1 2019	18%	\$ 66,945.94	\$ -	\$ 13,650	\$ 4,543,658.80	\$ 1,741,608.80	1,543,658.80
December 1 2019	18%	\$ 68,154.88	\$ -	\$ 13,650	\$ 4,625,463.68	\$ 1,809,763.68	1,625,463.68
January 1 2020	18%	\$ 69,381.96	\$ -	\$ 13,650	\$ 4,708,495.64	\$ 1,879,145.64	1,708,495.64
February 1 2020	18%	\$ 70,627.43	\$ -	\$ 13,650	\$ 4,792,773.07	\$ 1,949,773.07	1,792,773.07
March 1 2020	18%	\$ 71,891.60	\$ -	\$ 13,650	\$ 4,878,314.67	\$ 2,021,664.67	1,878,314.67
April 1 2020	18%	\$ 73,174.72	\$ -	\$ 13,650	\$ 4,965,139.39	\$ 2,094,839.39	1,965,139.39
May 1 2020	18%	\$ 74,477.09	\$ -	\$ 13,650	\$ 5,053,266.48	\$ 2,169,316.48	2,053,266.48
June 1 2020	18%	\$ 75,799.00	\$ -	\$ 13,650	\$ 5,142,715.48	\$ 2,245,115.48	2,142,715.48
July 1 2020	18%	\$ 77,140.73	\$ -	\$ 13,650	\$ 5,233,506.21	\$ 2,322,256.21	2,233,506.21
August 1 2020	18%	\$ 78,502.59	\$ -	\$ 13,650	\$ 5,325,658.80	\$ 2,400,758.80	2,325,658.80
September 1 2020	18%	\$ 79,884.88	\$ -	\$ 13,650	\$ 5,419,193.68	\$ 2,480,643.68	2,419,193.68
October 1 2020	18%	\$ 81,287.91	\$ -	\$ 13,650	\$ 5,514,131.59	\$ 2,561,931.59	2,514,131.59
November 1 2020	18%	\$ 82,711.97	\$ -	\$ -	\$ 5,596,843.56	\$ 2,644,643.56	2,596,843.56

Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Funds Received	2,000,000.00		
Disbursed and Withheld by BLG			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	\$ (2,000,000.00)		
Compound Interest - July 5, 2017 Accrual Date to October 31, 2020	(1,513,321.76)	1,2,3,4	A&M Estimation. \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to October 31 2020)	(324,975.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to October 31 2020)	(84,000.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	\$ (1,652,296.76)		
Total Estimated Amount Outstanding Under Loan #2 As of October 31, 2020	\$ (3,652,296.76)		

Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5: \$2M Facility Interest Schedule

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,300,000.00	\$ -	(270,000.00)
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ 16,983.87	(248,816.13)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	(227,216.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	(195,116.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	(163,016.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	(130,916.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	(98,816.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	(66,716.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	(34,616.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 246,483.87	(2,516.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 276,483.87	29,583.87
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 306,927.63	62,127.63
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 337,859.54	127,709.54
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 369,775.19	161,725.19
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 402,201.06	196,251.06
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 435,144.83	231,294.83
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 468,614.25	266,864.25
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 502,617.22	338,142.22
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 537,689.35	375,314.35
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 573,319.07	413,044.07
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 609,514.73	488,089.73
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 646,836.07	527,511.07
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 684,748.74	567,523.74
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 723,261.59	644,886.59
July 1 2019	18%	\$ 39,673.30	\$ -	\$ 2,100	\$ 2,686,659.89	\$ 762,934.89	686,659.89
August 1 2019	18%	\$ 40,299.90	\$ -	\$ 2,100	\$ 2,729,059.79	\$ 803,234.79	729,059.79
September 1 2019	18%	\$ 40,935.90	\$ 36,750	\$ 2,100	\$ 2,808,845.69	\$ 844,170.69	808,845.69
October 1 2019	18%	\$ 42,132.69	\$ -	\$ 2,100	\$ 2,853,078.37	\$ 886,303.37	853,078.37
November 1 2019	18%	\$ 42,796.18	\$ -	\$ 2,100	\$ 2,897,974.55	\$ 929,099.55	897,974.55
December 1 2019	18%	\$ 43,469.62	\$ 36,750	\$ 2,100	\$ 2,980,294.17	\$ 972,569.17	980,294.17
January 1 2020	18%	\$ 44,704.41	\$ -	\$ 2,100	\$ 3,027,098.58	\$ 1,017,273.58	1,027,098.58
February 1 2020	18%	\$ 45,406.48	\$ -	\$ 2,100	\$ 3,074,605.06	\$ 1,062,680.06	1,074,605.06
March 1 2020	18%	\$ 46,119.08	\$ 36,750	\$ 2,100	\$ 3,159,574.13	\$ 1,108,799.13	1,159,574.13
April 1 2020	18%	\$ 47,393.61	\$ -	\$ 2,100	\$ 3,209,067.75	\$ 1,156,192.75	1,209,067.75
May 1 2020	18%	\$ 48,136.02	\$ -	\$ 2,100	\$ 3,259,303.76	\$ 1,204,328.76	1,259,303.76
June 1 2020	18%	\$ 48,889.56	\$ 36,750	\$ 2,100	\$ 3,347,043.32	\$ 1,253,218.32	1,347,043.32
July 1 2020	18%	\$ 50,205.65	\$ -	\$ 2,100	\$ 3,399,348.97	\$ 1,303,423.97	1,399,348.97
August 1 2020	18%	\$ 50,990.23	\$ -	\$ 2,100	\$ 3,452,439.20	\$ 1,354,414.20	1,452,439.20
September 1 2020	18%	\$ 51,786.59	\$ 36,750	\$ 2,100	\$ 3,543,075.79	\$ 1,406,200.79	1,543,075.79
October 1 2020	18%	\$ 53,146.14	\$ -	\$ 2,100	\$ 3,598,321.93	\$ 1,459,346.93	1,598,321.93
November 1 2020	18%	\$ 53,974.83	\$ -	\$ -	\$ 3,652,296.76	\$ 1,513,321.76	1,652,296.76

Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	\$ (1,500,000.00)		
Compound Interest - November 7, 2017 Advance Date to October 31, 2020	(1,617,685.48)	1,2,3	A&M Estimation. \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Payment of trust funds to Hillsboro	611,985.94		Dentons Trust account statement
Forbearance Fees (Up to October 31 2020)	(236,250.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to October 31 2020)	(94,500.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	\$ (1,133,949.54)		
Total Amount Outstanding Under Loan #3 As of October 31, 2020	\$ (2,633,949.54)		

Notes

1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017.

2 - Interest assumed to be 30% compounded monthly from October 9 2018 to October 31, 2020

3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.

4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
					\$ 1,500,000.00	\$ -	(202,500.00)
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 173,467.74	(8,032.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 195,967.74	17,092.74
August 1 2018	18%	\$ 22,756.39	\$ -	\$ 2,625	\$ 1,542,474.13	\$ 218,724.13	42,474.13
September 1 2018	18%	\$ 23,137.11	\$ -	\$ 2,625	\$ 1,568,236.25	\$ 241,861.25	68,236.25
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ 2,625	\$ 1,619,584.79	\$ 265,384.79	119,584.79
November 1 2018 (30% interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ 2,625	\$ 1,658,519.83	\$ 301,694.83	158,519.83
December 1 2018	30%	\$ 41,463.00	\$ -	\$ 2,625	\$ 1,702,607.83	\$ 343,157.83	202,607.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ 2,625	\$ 1,747,798.03	\$ 385,723.03	247,798.03
February 1 2019	30%	\$ 43,694.95	\$ -	\$ 2,625	\$ 1,794,117.98	\$ 429,417.98	294,117.98
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ 2,625	\$ 1,869,945.93	\$ 474,270.93	369,945.93
April 1 2019	30%	\$ 46,748.65	\$ -	\$ 2,625	\$ 1,919,319.57	\$ 521,019.57	419,319.57
May 1 2019	30%	\$ 47,982.99	\$ -	\$ 2,625	\$ 1,969,927.56	\$ 569,002.56	469,927.56
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ 2,625	\$ 2,052,250.75	\$ 618,250.75	552,250.75
July 1 2019	30%	\$ 51,306.27	\$ -	\$ 2,625	\$ 2,106,182.02	\$ 669,557.02	606,182.02
August 1 2019	30%	\$ 52,654.55	\$ -	\$ 2,625	\$ 2,161,461.57	\$ 722,211.57	661,461.57
September 1 2019	30%	\$ 54,036.54	\$ 30,450	\$ 2,625	\$ 2,248,573.11	\$ 776,248.11	748,573.11
October 1 2019	30%	\$ 56,214.33	\$ -	\$ 2,625	\$ 2,307,412.44	\$ 832,462.44	807,412.44
November 1 2019	30%	\$ 57,685.31	\$ -	\$ 2,625	\$ 2,367,722.75	\$ 890,147.75	867,722.75
December 1 2019	30%	\$ 59,193.07	\$ 30,450	\$ 2,625	\$ 2,459,990.82	\$ 949,340.82	959,990.82
January 1 2020	30%	\$ 61,499.77	\$ -	\$ 2,625	\$ 2,524,115.59	\$ 1,010,840.59	1,024,115.59
February 1 2020	30%	\$ 63,102.89	\$ -	\$ 2,625	\$ 2,589,843.48	\$ 1,073,943.48	1,089,843.48
March 1 2020	30%	\$ 64,746.09	\$ 30,450	\$ 2,625	\$ 2,687,664.57	\$ 1,138,689.57	1,187,664.57
Principle adjustment - payment to Hillsboro from Dentons Trust					\$ (611,985.94)	\$	(611,985.94)
April 1 2020	30%	\$ 67,191.61	\$ -	\$ 2,625	\$ 2,145,495.24	\$ 1,205,881.18	1,257,481.18
May 1 2020	30%	\$ 53,637.38	\$ -	\$ 2,625	\$ 2,201,757.62	\$ 1,259,518.56	1,313,743.56
June 1 2020	30%	\$ 55,043.94	\$ 30,450	\$ 2,625	\$ 2,289,876.56	\$ 1,314,562.50	1,401,862.50
July 1 2020	30%	\$ 57,246.91	\$ -	\$ 2,625	\$ 2,349,748.48	\$ 1,371,809.42	1,461,734.42
August 1 2020	30%	\$ 58,743.71	\$ -	\$ 2,625	\$ 2,411,117.19	\$ 1,430,553.13	1,523,103.13
September 1 2020	30%	\$ 60,277.93	\$ 30,450	\$ 2,625	\$ 2,504,470.12	\$ 1,490,831.06	1,616,456.06
October 1 2020	30%	\$ 62,611.75	\$ -	\$ 2,625	\$ 2,569,706.87	\$ 1,553,442.81	1,681,692.81
November 1 2020	30%	\$ 64,242.67	\$ -	\$ -	\$ 2,633,949.54	\$ 1,617,685.48	1,745,935.48

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(103,977)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
Transfer of Funds to Hillsboro on April 9, 2020	(611,986)
Closing Funds	\$ -

Exhibit “B”

April 22, 2020 Letter

[See attached]

April 22, 2020

VIA E-MAIL

Glenn & Card Law LLP
100 - 2886 Sunridge Way NE
Calgary, AB T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

Re: Ceana Development Sunridge Inc. (the “Debtor”)

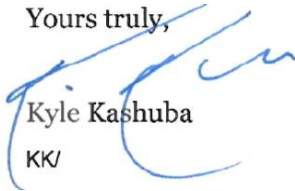
As an update regarding the condominium project, the Receiver has attached hereto and/or notes, as applicable, the following:

1. March 31, 2020 Receiver’s Update Report, attached hereto as Exhibit “A”. The subject report, provides, *inter alia*, an update regarding the progress of the receipts and disbursements, construction, and sale process and new construction. The materials in the Receiver’s Update Report have been shared with Hillsboro, Connect First and their respective legal counsel;
2. the Receiver and Barclay Street Real Estate Ltd. (“**Barclay Street**”) entered into a listing agreement on April 3, 2020, pursuant to which Barclay Street will provide sales agent services in connection with the sale of the units that form part of the condominium project. The intention is to initiate the sales process in the next few weeks; and
3. after considering the options available to the Receiver, conducting a detailed analysis of the pros and cons of same, and consulting this matter with Barclay Street, the Receiver has decided to: (a) change the previously considered Building E design to a three building concept (Buildings E, F and G); (b) add pylon signage to the corner of 32nd Street and 23rd Avenue; and (c) add access to the condominium project from 23rd Avenue. The Receiver, as further discussed in the March 31, 2020 Receiver’s Update Report, with the support of Barclay Street, believes that the above noted changes should provide for an opportunity to increase realizations for the estate.

In addition, the Receiver continues to await for a response and/or additional information, as applicable, from Mr. Gaidhar, related to the Receiver’s outstanding requests outlined in our previous letters dated: (a) January 30, 2020, (b) March 3, 2020, (c) March 12, 2020; and (d) April 13, 2020.

Please let us know if you have any questions or comments. Also, we would appreciate it if you could kindly confirm receipt of this letter.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Kyle Kashuba', with a large, stylized flourish extending from the end of the signature.

Kyle Kashuba

KK/

cc: The Receiver, Attention: Orest Konowalchuk and David Williams (via email)

Exhibit “A”

March 31, 2020 Receiver’s Update Report

[See attached]



Ceana Development Sunridge Inc. – In Receivership

Update Report

Date: March 31, 2020



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APPENDICES

Appendix A – Revised Development Permit Site Plan

Appendix B – Barclay Street Marketing Brochure (Draft)

Appendix C – EFC Construction Quotes for Building “E” Options

1) R&D Update (as at March 27, 2020)

Ceana Development Sunridge Inc. - in Receivership Interim Statement of Receipts & Disbursements July 3, 2019 to March 27, 2020 CAD\$, unaudited		
	Note	
Opening cash balance		\$ 1,091
Receiver's borrowings		2,050,000
Property taxes paid by Hillsboro		195,435
Receiver's certificate (borrowings)	1	\$ 2,245,435
Receipts		
Deposits collected	2	2,856
Total receipts		\$ 2,249,381
Disbursements		
Property Taxes	3	195,435
Architectural & engineering costs	4	66,606
Quantity Surveying (QSSi)	5	27,678
Construction management and overhead	6	48,453
Pre-construction site inspections	7	22,225
Construction of site and buildings A - D	8	396,691
Site utilities and maintenance	9	15,513
Insurance	10	39,650
Office and miscellaneous		213
GST Paid (receivable)		49,324
Professional fees and costs	11	412,522
Total disbursements		\$ 1,274,311
Ending cash balance		\$ 975,070

Notes

1 – Includes borrowings of \$2.05M and property taxes of ~\$195K owing prior to the Receivership date that were paid directly by Neotric Enterprises Inc. ("Neotric"), an affiliate of Hillsboro, on September 30, 2019 to avoid 7% penalty.

2 – Deposits collected from KH Dunkley Law Group, which do not include sales deposits of \$992K held by Torsys.

3 – Payment for 2018 property tax arrears (\$82K), 2019 property taxes (\$99K) and penalties (\$14K).

4 – Settlement of Rick Balbi's pre-receivership invoices (\$43K) and interim invoice for preparation of building permit drawings (\$17K). Payments to EMBE and Jubilee (\$6K) for civil and electrical drawings.

5 – Services provided by QSSi for CCDCC 5B contract authoring, general contractor ("GC") proposal review and review of EFC draws / change orders.

6 – Charges for EFC personnel of \$40K and CM overhead fee of \$9K (2.5% of construction costs).

7 – Site inspections including: deep service videos, geotechnical engineer, excavator and surveyor. Required determine scope of work and part of service agreement entered with EFC.

8 – December 2019 to February 2020 construction costs including: general requirements (\$21K), sitework and excavation (\$41K), metals (\$81K), woods and plastics (\$5K), thermal and moisture protection (\$86K), windows and doors (\$36K), finishes (\$70K), electrical (\$13K) change orders (\$90K) and invoice holdback of (-\$48K). The holdback represents 10% of construction costs (as required by the *Builders' Lien Act*) and is payable once the project is completed.

9 – Fence and trailer rentals and repair of damaged temporary power panel.



10 – Commercial liability and course of construction insurance. Policies are in place until August 12, 2020 and premiums are paid monthly. The total cost of insurance will be \$67K and can be extended as needed.

11 – Includes Receiver's fees of \$273K and Receiver's Counsel's fees of \$139K up to December 31, 2019:

- Receiver's Fees and Costs
 - o July 3/19 to Sep 30/19 (approved by court) - \$142,764
 - o Oct 1/19 to Feb 29/20 - \$131,045
- Receiver's Counsel's Fees and Costs
 - o July 3/19 to Sep 30/19 (approved by court) - \$50,285
 - o Oct 1/19 to Feb 29/20 - \$88,426

2) Construction Update

Overview of progress claims and change orders:

Since the last update report dated February 14, 2020, EFC has completed the following work:

- 1) Installed roofing, fall protection and rooftop units on all buildings;
- 2) Completed remaining steel work on Building D;
- 3) Framing and boarding on all buildings; and
- 4) Various other miscellaneous site/building work.

Progress Claim Summary (Net of 10% Holdback)					
	<u>Note</u>	<u>Paid</u>	<u>Approved</u>	<u>Under Review</u>	<u>Total</u>
December 2019 Progress Claim (Draw 01)		Yes	95,285	-	95,285
January 2020 Progress Claim (Draw 02)		Yes	59,445	-	59,445
February 2020 Progress Claim (Draw 03)	1	Partial	302,775	143,674	446,449
			\$ 457,505	\$ 143,674	\$ 601,179

Change Order Summary				
	<u>Note</u>	<u>Approved</u>	<u>Under Review</u>	<u>Total</u>
CO-001: Trailer Cleanup		917	-	917
CO-002: Repair of temporary power panel		4,900	-	4,900
CO-003: Building E footing protection		15,990	-	15,990
CO-004: Standard trench excavation/backfill		8,973	-	8,973
CO-005: Additional Excavation Scope	2	-	97,865	97,865
CO-006: Repair of Steel per Williams Inspection		16,759	-	16,759
CO-007: Repair of Under-slab Plumbing	3	-	15,791	15,791
CO-008: Canopy Frames (Buildings C and D)		10,469	-	10,469
CO-009: Snow removal services (Jan 2020 - May 2020)		4,125	-	4,125
CO-010: Remove/replace exterior drywall due to mould		17,010	-	17,010
CO-011: Remove assembly of canopy fascia per drawings		1,687	-	1,687
CO-012: Remove assembly of canopy fascia per drawings		1,962	-	1,962
CO-013: Corrections to underground feeders		13,691	-	13,691
CO-014: Change to mech doors		990	-	990
CO-015: Supply and installation of fall protection anchors		14,075	-	14,075
CO-016: Road Cleaning (2 Hr minimum)		250	-	250
		\$ 111,796	\$ 113,655	\$ 225,452

Note: Per EFC proposal dated Aug 23, 2019 contingency amounts were estimated at ~\$898K (incl. \$680K for new deep services)

Notes

1 – Approximately \$143K has been withheld from the February 2020 draw request for steel and drywall concerns and clarification on invoices. The Receiver and QSSi have generally resolved the issues with the steel subtrade and intend to remit payment for amounts withheld in mid-April 2020.

2 – Estimates are being revised and will be re-submitted for review at a later date. Imported fill will not be billed for until EFC has exceeded the 3000 cubic metres included in their original price submission.

3 – The extent of the plumbing damage in the four units is undetermined at this time and the amount submitted represents the maximum upset pricing. EFC plans to complete this work during the spring of 2020 and will request that their subcontractor charge based on time and materials. It is possible that the final amount comes in lower than the change order amount.

Overall and near-term construction timelines:

On March 30, 2020, EFC informed the Receiver that the project completion date has been extended by approximately 30 days to August 17, 2020 due to cold weather and reduced availability of certain subtrades due to the COVID-19 pandemic. Assuming there are no further delays to the construction schedule, the buildings will be complete on the following dates:

- Building A: June 15, 2020
- Building B: June 22, 2020
- Building C: June 29, 2020
- Building D: July 6, 2020

Overall Construction Timeline							
	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	
Project Planning							
Site Work							
Building A							
Building B							
Building C							
Buidling D							

Note: EFC can prioritize any building to be completed first.

Near-Term Construction Timeline						
Week Ending:	Mar 27/20	Apr 3/20	Apr 10/20	Apr 17/20	Apr 24/20	May 1/20
Building A: Final Roofing						
Building A: Window Frames						
Building A: Glazing						
Building B: Glazing						
Building C: Framing						
Building C: Roofing						
Building C: Glazing						
Building C: Electrical R/I						
Building D: Framing						
Building D: Roofing						
Building D: Measure for Glazing						
Building D: Glazing						
Deep Service Repair						

Percentage completion analysis comparing contractor project budget to actual spend:

Ceana Development Sunridge Inc. - in Receivership Updated Estimated Project Realization Summary CAD\$ 000, unaudited				
	Note	Site & Buildings A - D		
		Initial Budget	Changes	Revised Budget
Square feet	1	20,633	35	20,668
Estimate Average \$ per square foot	2	\$ 520	\$ -	\$ 520
Estimated gross realizations		\$ 10,729	\$ 18	\$ 10,747
Selling costs	3	(322)	(20)	(342)
Realizations net of selling costs		\$ 10,407	\$ (2)	\$ 10,405
Estimated costs of realization				
Construction costs to complete		3,765	-	3,765
Estimated CCDC5B construction cost savings	4	(398)	80	(318)
CCDC5B management fee	5	84	5	89
Contingency on construction costs	6	303	(26)	277
Transformer and related costs	7	300	-	300
Pre- Receivership Architect costs		46	(2)	44
Architect costs	8	20	26	46
Property taxes	9	300	0	300
Estimated soft costs	10	303	(118)	185
		\$ 4,723	\$ (34)	\$ 4,690
Estimated net realizations before professional fees		\$ 5,684	\$ 32	\$ 5,716
Professional fees (Receiver and Receiver's Counsel)	11	(550)	-	(550)
Estimated net realizations after estimated professional fees		\$ 5,134	\$ 32	\$ 5,166

Notes

1 – Revised square footage based on official BOMA measurements provided by Rick Balbi.

2 – Estimated average sales price per square foot is based on proposals submitted by Barclay, CBRE, Colliers, NAI Advent and JLL. Three purchasers with pre-receivership contracts have indicated that they



would like to complete the purchase and sale transactions contemplated in such pre-receivership contracts and their contracts are ~\$500/sq foot (effectively the same as \$520 less selling costs of 5%).

3 – Selling costs of 5% based on Barclay Street proposal and draft listing agreement. Barclay is the selected sales agent of the Receiver. It is assumed that Building C, Building B (CRU 3 or 4) and Building D (CRU 7B) will be sold by the Receiver directly. Selling costs are subject to increase if Barclay Street takes on the aforementioned units due to purchasers being unable to close.

4 – On February 6, 2020, Rick Balbi provided the Receiver with construction drawings based on the revised building permit (the “**IFC Drawings**”). EFC will re-tender landscaping, site concrete/paving, concrete reinforcement, stucco/masonry, cladding and painting subtrades using the IFC Drawings. QSSi estimates that cost savings from re-tendering could be up to approximately \$318K. As of March 27, 2020, EFC has re-tendered stucco/masonry and realized \$70K in cost savings.

5 – EFC construction management fee is 2.5% of construction costs, including contingencies, that are subject to change based on final construction costs.

6 – Includes all existing unpaid change orders as well as an estimate of \$50K for deep services and a 15% contingency for any additional change orders that may arise. At this time, the Receiver is aware of one additional potential change order for spray foam insulation for certain areas, required by Rick Balbi.

7 – Conservatively, these costs remain the same. However, QSSi has advised the Receiver that the transformers may have been purchased by Ceana Sunridge prior to the Receivership. If this is the case, estimated costs will drop to ~\$50K as only hookup costs will need to be paid.

8 – Costs have increased due to Rick Balbi being engaged for design build services. Under the design build service agreement, Rick Balbi will attend site visits, review RFIs and provide consultation for architectural, structure, mechanical, electrical and site services as they relate to Buildings A – D and the Site.

9 – Property taxes of ~\$195K owing prior to the Receivership date were paid directly by Neotric on September 30, 2019 to avoid a 7% penalty. An additional \$100K may be owing during the proceedings.

10 – Estimated soft costs have been revised based on actual costs incurred and include the following: insurance of \$67K, Quantity Surveying (QSSi) of \$53K, engineering and miscellaneous costs of \$16K and a contingency of \$50K.

11 – Professional fees were originally estimated in the range of \$550K - \$650K.

3) Sales Process

Overview

During the week of March 2, 2020, the Receiver completed its review of the realtor proposals submitted and awarded the listing to Barclay, its Sales Agent. The Receiver and Barclay are very close to finalizing the listing agreement and expects it to be signed by April 2, 2020.

Shortly thereafter, the Receiver sought the advice of its Sales Agent with respect to the current site drawings and plans and whether there should be any changes or alterations, at this stage, that would allow for greater opportunity to maximize realizations in the estate.

Barclay strongly recommended for the Receiver to consider making the following changes to the site layout:

- Adding an access point to the parking lot from 23rd Avenue NE.
- Adding pylon signage to the corner of 32nd Street and 23rd Avenue NE, as retailers that are not on 32nd (Buildings A – D) will want this signage to market themselves.

Barclay believes and has advised that these proposed changes are very important to achieving greater realizations for this project and overall viability in the long run.

EFC estimates that the costs to complete this work are approximately \$100K (\$50K for 23rd Avenue parking lot access and \$50K for pylon sign) and could be completed via change order. Before EFC can start construction, detailed drawings need to be prepared by Jubilee (civil engineer) and approved by The City of Calgary.

Attached as Appendix “A” is a revised development permit site plan that includes parking lot access from 23rd Avenue and pylon signage on the corner of 32nd Street and 23rd Avenue NE, among other proposed changes to Building E, which are discussed in more detail on page 10 of this report.

Marketing strategy and timeline:

Barclay has advised the Receiver that it will now be very challenging to launch a marketing campaign amid the current COVID-19 pandemic. Notwithstanding the challenging circumstances presented by the COVID-19 pandemic, Barclay intends to proceed by creating a virtual data room with the Receiver and conduct a “soft” launch as soon as the following items are ready:

- A. Letter of Intent / Purchase and Sales Agreement templates – the Receiver’s counsel is currently reviewing and amending templates provided by Barclay. Final templates should be ready in the next week.
- B. Decision with respect to:
 - a. Additional lot access. Additional parking lot access from 23rd Avenue NE and pylon signage – the Receiver would like to make a final decision on these changes by mid-April 2020.
 - b. Pylon signage. Understanding the impact on parking as a result of revised site access and installation of pylon signage – the revised development permit drawings have been provided to Barclay for review.
- C. Decision on layout for Building “E” – the Receiver would like to make a final decision on the layout by mid-April 2020.

Once the aforementioned items are complete and assuming that the COVID-19 restrictions are not as stringent, Barclay Street suggests the following sales strategy:

Action Item	Estimated Completion Date
1- Comprehensive marketing package including market research, photographs, renderings, property description, location/area overview, demographics.	April 2020
2- Targeted introductions within our network of owner/user clients, small business in the vicinity, National retailers both franchisors and franchisees and investors.	April/May 2020
3- Install signage improved with a rendering.	May/June 2020
4- Promote the project on Barclay Street website.	May/June 2020
5- Promote the project on various Social Media platforms such as LinkedIn, Facebook, Kijiji, etc.	May/June 2020
6- Leverage the relationships within the brokerage community and promote to all brokerages in the City and beyond.	June 2020
7- Host a broker Open House/Luncheon	June 2020

Note: The above timelines are a "best case scenario" estimates and are subject to change.

Barclay's draft marketing brochure is attached as Appendix "B".

Other sales and marketing considerations:

The Receiver has recently advised Torsys that it will need to condominiumize Buildings A – D. This process can start in the next few days. The Receiver is currently investigating timelines and process with respect to the condominiumization of the units in the project, with the legal guidance of Torsys. An update will be provided in this respect as soon as possible.

The Receiver has also advised Torsys to begin drafting condo bylaws as they will be required during the sales process.

Additionally, the Receiver has requested the EFC prepare a formal quote for facility maintenance from EFC so that an estimate of condo fees can be provided to potential purchasers. The Receiver expects to receive this quote in early April.

4) New Construction

Building "E" - design, timing and path forward:

The Receiver has analyzed three options for the construction of Building E:

1. Completing Building E as a one-story building using existing design and removing shared areas/elevator.
2. Completing Building E as a two-story building using existing design.
3. Redesigning Building E as three separate, one-story buildings (Buildings E, F, G).

The revised site layout for Option #3 is attached as Appendix "A" and EFC construction quotes for Options #1, #2 and #3 are attached as Appendix "C".

Comparative Analysis of Building "E" options:

Ceana Development Sunridge Inc. - in Receivership				
Building "E" Analysis				
CAD\$, unaudited				
		Option 1	Option 2	Option 3
		One Storey	Two Storey	One Storey
		Building E	Building E	Buildings E, F, G
	Note			
Construction timeline				
Estimated Start Date		15-Jun-20	15-Jun-20	15-Jun-20
Estimated End Date		15-Dec-20	15-Dec-20	15-Dec-20
First Floor Square Footage		12,916	12,916	19,694
Second Floor Square Footage		-	7,098	-
Total Selleable Square Footage		12,916	20,015	19,694
Estimated gross realizations	1	6,458,200	8,942,627	9,847,000
Selling costs	2	(322,910)	(447,131)	(492,350)
Realizations net of selling costs		\$ 6,135,290	\$ 8,495,495	\$ 9,354,650
Estimated costs of realization				
Building construction costs	3	2,135,374	2,467,538	3,170,685
Site construction costs	4	-	-	476,716
General conditions (additional 4 months)	5	105,256	105,256	105,256
CCDC5B 2.5% markup		56,016	64,320	93,816
Contingency on construction costs	6	213,537	246,754	317,069
Architect costs	7	87,500	87,500	110,400
Soft costs	8	149,476	172,728	221,948
		\$ 2,747,160	\$ 3,144,095	\$ 4,495,890
Estimated net realizations before professional fees		\$ 3,388,130	\$ 5,351,400	\$ 4,858,760
Professional fees (Receiver and Receiver's Counsel)		(150,000)	(150,000)	(150,000)
Estimated net realizations after estimated professional fees		\$ 3,238,130	\$ 5,201,400	\$ 4,708,760

Notes

1 – Assumes sales price of \$500/sq foot for the first floor and \$350/sq foot for the second floor, per Barclay Street proposal.

2 – Selling costs of 5%, per Barclay Street proposal and listing agreement.

3 – Construction estimates provided by EFC and do not include demising walls as it is assumed these costs would be passed on to the purchaser.

4 – Site construction costs for Option #1 and #2 are included in current CCDC 5B contract for Buildings A – D. Option #3 includes additional site costs required for Buildings E, F, G and also includes \$100K construction cost for 23rd Avenue access and pylon signage.

5 – General conditions for EFC to stay on site. It is expected that an additional 4 months (Aug - Nov 2020) will be required.

7 – Quote provided by Rick Balbi to complete preliminary design, development permit, working drawings and contract administration.

8 – Estimated soft costs of 7% of hard construction costs, based on industry range of 6% - 9%.

Evaluation of options:

In discussion with Barclay, of the three options, Options #2 or #3 would provide a greater profit realization vs. moving forward with Option #1.



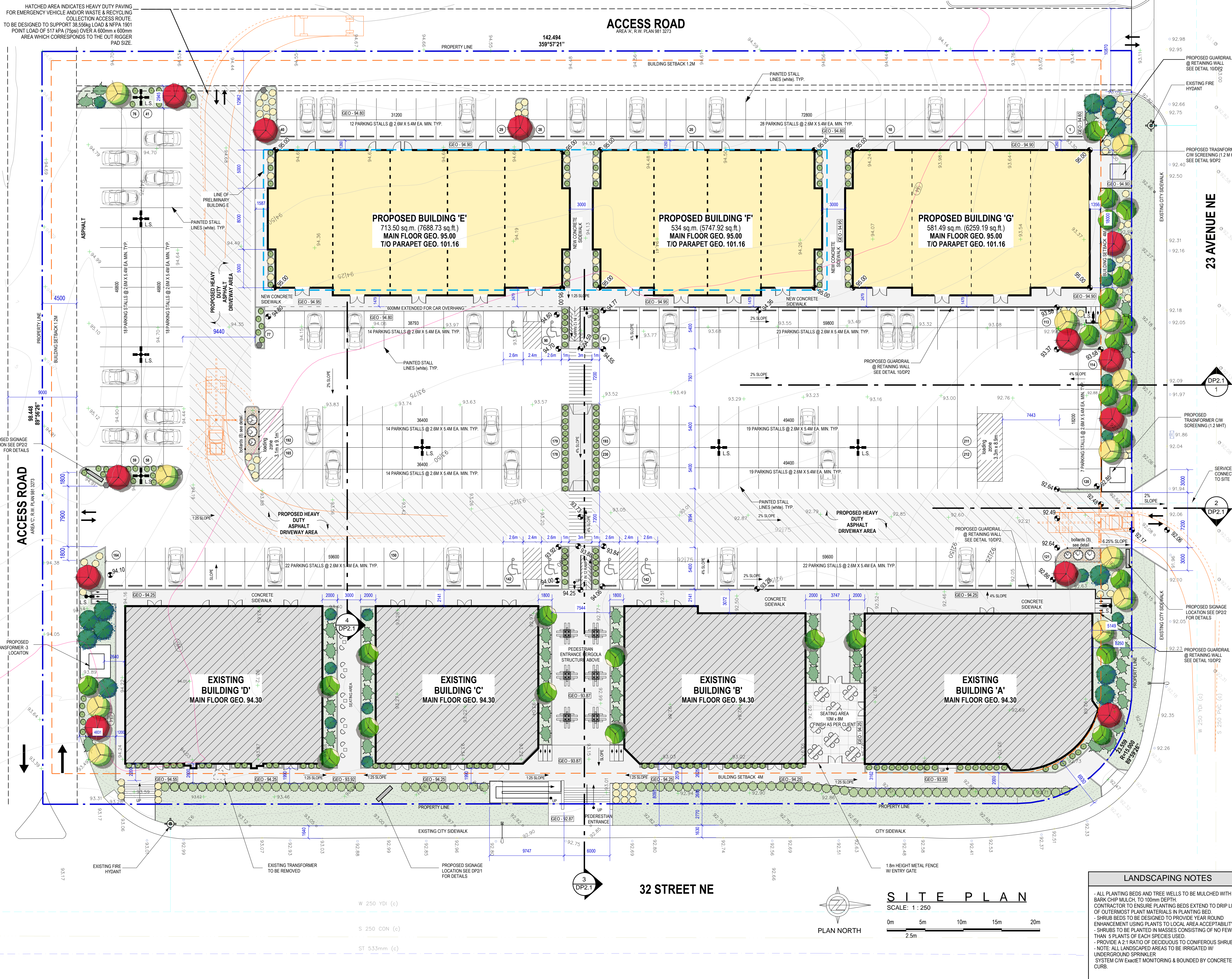
Barclay Street believes Option #3 would be the best option for the following reasons (when comparing to Option #2):

- One storey buildings eliminate the need for common areas such lobbies, elevators and hallways. This would positively impact net salable area
- The main floor is much more desirable for retail businesses in the area versus the 2nd floor, and there are concerns that the 2nd floor may not attract potential investors to purchase (less desirable to have a 2nd floor)
- The main floor of buildings caters to both retail and office uses whereas the second floor is generally limited to office use.
- The list price per square ft. could be set at \$500, which is higher than what can be achieved at an average list price per square ft. of \$447 (1st floor: \$500/sq ft, 2nd floor \$350/sq foot) for Option #2.
- Having three separate buildings will provide for opportunities to sell to different investors vs. a two floor, single building.
- The construction costs are greater for a three-building concept, but the ability to sell all units in a reasonable timeframe and reduce carrying costs are much greater when comparing to Option #2.

As part of the Receiver's due diligence and consideration on which Option it may consider proceeding with, the Receiver requested that its architect (Mr. Rick Balbi) submit the development permit drawings for Option #3. The cost of submitting these drawings to the City is \$2,100.

EFC advised that it can complete this work under the current CCDC5 contract via change order. Alternatively, the work can be retendered and awarded prior to EFC completing Buildings A – D so there is no interruption to the construction timeline.

The Receiver intends to proceed with Option #3 (i.e. to build out building E, F, G vs. just building E).



PLAN LEGEND

- PROPOSED ASPHALT (PARKING AREA)
- PROPOSED HEAVY DUTY ASPHALT (DRIVEWAY)
- PROPOSED GRASS OR MULCH PLANTING AREA
- PROPOSED CONCRETE SIDEWALK AREA
- PROPOSED CURB
- EXISTING GRADE
- PROPOSED GRADE
- PROPOSED LIGHT STAND
- PROPOSED STOP SIGN
- PROPOSED SIGNAGE
- EXISTING LIGHT STAND

INDEX TO DRAWINGS

- DP1 SITE PLAN
- DP2 SITE DETAILS
- DP2.1 SITE SECTIONS
- DP3 BUILDING 'E' FLOOR PLAN ELEVATIONS MATERIAL LEGEND
- DP4 BUILDING 'F' FLOOR PLAN ELEVATIONS MATERIAL LEGEND
- DP5 BUILDING 'G' FLOOR PLAN ELEVATIONS MATERIAL LEGEND

LANDSCAPING

LANDSCAPE STATISTICS: CITY OF CALGARY I-2

LANDSCAPE AREA:	REQUIRED	PROVIDED
TOTAL SURFACE PARKING REDEVELOPMENT AREA	6,159.1 m ²	
TOTAL LANDSCAPE AREA REQUIRED (SETBACK AREAS)	1,217.17 m ²	
TOTAL SOFT LANDSCAPE AREA PROVIDED (INCLUDED INTERIOR AREAS)	1,144.81 m ²	
TOTAL HARD LANDSCAPE AREA PROVIDED	1,805.24 m ²	
OVERALL LANDSCAPE AREA PROVIDED	2,750.05 m ²	

TOTAL NUMBER OF TREES			REQUIRED	PROVIDED
(125 m ² OF PROVIDED LANDSCAPE AREA)				
TOTAL LANDSCAPE AREA REQUIRED			0	-
TOTAL LANDSCAPE AREA PROVIDED			36	55
DECIDUOUS TREES				
LARGE TREES (75mm+ CALIPER)			21	23
MEDIUM TREES (50mm CALIPER)			21	26
TOTAL DECIDUOUS TREES			(75%) 41	49
CONIFEROUS TREES				
LARGE TREES (80% 3.5m HEIGHT MIN.)			7	10
MEDIUM TREES (50% 2.5m HEIGHT MIN.)			7	13
TOTAL CONIFEROUS TREES			(25%) 14	23
SHRUBS				
TOTAL PROVIDED LANDSCAPE AREA (MIN. 600mm HEIGHT AND SPREAD)			72	197

KEY	ITEM	NUMBER
	LARGE DECIDUOUS TREES - Colorado Blue Spruce - 300mm height minimum	10
	MEDIUM DECIDUOUS TREES - Colorado Blue Spruce - 200mm height minimum	13
	MEDIUM DECIDUOUS TREES - Crab Apple - 50mm minimum Caliper	26
	LARGE DECIDUOUS TREES - Russian Olive - 75mm minimum Caliper	12
	LARGE DECIDUOUS TREES - Schubert Chokeberry - 75mm minimum Caliper	11
	DECIDUOUS SHRUBS - SPIREA 600mm MIN.	81
	DECIDUOUS SHRUBS - HEDGE COTONEASTER 600mm MIN.	78
	CONIFEROUS SHRUBS - Saw- Juniper (Juniperus sabina) 600mm spread minimum	38
	ORNAMENTAL TALL GRASSES - Karl Foersters 300mm Pot	178

LANDSCAPING NOTES

- ALL PLANTING BEDS AND TREE WELLS TO BE MULCHED WITH BARK CHIP MULCH TO 100mm DEPTH
- CONTRACTOR TO ENSURE PLANTING BEDS EXTEND TO DRIP LINE OF OUTERMOST PLANT MATERIALS IN PLANTING BED
- SHRUB BEDS TO BE DESIGNED TO PROVIDE YEAR ROUND ENHANCEMENT USING PLANTS TO LOCAL AREA ACCEPTABILITY
- SHRUBS TO BE PLANTED IN MASSES CONSISTING OF NO FEWER THAN 5 PLANTS OF EACH SPECIES USED
- PROVIDE A 2:1 RATIO OF DECIDUOUS TO CONIFEROUS SHRUBS
- NOTE: ALL LANDSCAPED AREAS TO BE IRRIGATED W/ UNDERGROUND SPRINKLER SYSTEM C/W EXIST MONITORING & BOUNDED BY CONCRETE CURB

SITE INFORMATION

LEGAL DESCRIPTION: LOT 1, BLOCK 8, PLAN 9811891

MUNICIPAL ADDRESS: 2255 32 STREET N.E. CALGARY, AB

LANDUSE:

ZONING: DC47295 I-2 GENERAL LIGHT INDUSTRIAL DISTRICT

SITE AREA: 13,962.15 SQM (3.45 ACRES)

EXISTING BUILDING AREA

BUILDING 'A': 577.68 sq.m. (6,218.09 sq.ft.)

BUILDING 'B': 438.5 sq.m. (4,719.97 sq.ft.)

BUILDING 'C': 402.0 sq.m. (4,327.09 sq.ft.)

BUILDING 'D': 500.0 sq.m. (5,381.96 sq.ft.)

PROPOSED BUILDING AREA

BUILDING 'E': 713.50 sq.m. (7,680.05 sq.ft.)

BUILDING 'F': 534.00 sq.m. (5,747.93 sq.ft.)

BUILDING 'G': 581.50 sq.m. (6,259.21 sq.ft.)

FAR=1.0 THE GROSS FLOOR AREA ALL USES EXCEPT OFFICE BUILDINGS FAR=0.5 THE GROSS FLOOR AREA FOR OFFICE BUILDINGS (0.5 X SITE AREA)

TOTAL BUILDING AREA=3,747.18 sq.m. (40,333.43 sq.ft.) (FAR=0.268)

MAXIMUM BUILDING HEIGHTS 12m

SIDE YARD 1.2m

REAR YARD 1.2m

SITE KEY PLAN

NO SCALE

PARKING REQUIREMENTS

EXISTING BUILDING 'A'

FLOOR AREA - 576.4m²

USE - RESTAURANTS/FOOD SERVICE ONLY

PARKING REQUIREMENT - 1 PARKING STALL PER 3.5 m² OF NET FLOOR AREA EXCLUDING KITCHEN (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)=340m²

REQUIRED PARKING=97.1 STALLS= 92 STALLS

EXISTING BUILDING 'B'

FLOOR AREA - 438.5m²

USE - COMMERCIAL RENTAL UNITS

PARKING REQUIREMENT - RETAILS STORES- NEIGHBOURHOOD SHOPPING

5.5 PARKING STALL PER 35m² OF NET FLOOR AREA (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)=420m²

REQUIRED PARKING=420 / 93 X 5.5 STALLS= 24.8 STALLS= 25 STALLS

EXISTING BUILDING 'C'

FLOOR AREA - 402.0m²

USE - COMMERCIAL RENTAL UNITS

PARKING REQUIREMENT - RETAILS STORES- NEIGHBOURHOOD SHOPPING

5.5 PARKING STALL PER 35m² OF NET FLOOR AREA (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)=392m²

REQUIRED PARKING=392 / 93 X 5.5 STALLS= 23.1 STALLS= 24 STALLS

EXISTING BUILDING 'D'

FLOOR AREA - 500.0m²

USE - MEDICAL / DENTIST - OFFICE - 155m²

USE - COMMERCIAL RENTAL UNITS - 338m²

PARKING REQUIREMENT - MEDICAL CLINICS/ DENTIST

1 PARKING STALL PER 25m² OF GROSS FLOOR AREA

REQUIRED PARKING=155 / 25 X 1 STALLS= 7 STALLS

PARKING REQUIREMENT - COMMERCIAL RENTAL UNITS

REQUIRED PARKING=338 / 93 X 5.5 STALLS= 26 STALLS

TOTAL PARKING REQUIRED- BUILDING "D"-27STALLS

PROPOSED BUILDING 'E'

FLOOR AREA - 713.5m²

USE - COMMERCIAL RENTAL UNITS

PARKING REQUIREMENT - RETAILS STORES- NEIGHBOURHOOD SHOPPING

5.5 PARKING STALL PER 35m² OF NET FLOOR AREA (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)= 654.55m²

REQUIRED PARKING 654.55 / 93 X 5.5 STALLS= 38.7 STALLS= 39 STALLS

PROPOSED BUILDING 'F'

FLOOR AREA - 534.00m²

USE - COMMERCIAL RENTAL UNITS

PARKING REQUIREMENT - RETAILS STORES- NEIGHBOURHOOD SHOPPING

5.5 PARKING STALL PER 35m² OF NET FLOOR AREA (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)= 483.41m²

REQUIRED PARKING 483.41 / 93 X 5.5 STALLS= 28.6 STALLS= 29 STALLS

PROPOSED BUILDING 'G'

FLOOR AREA - 581.50m²

USE - COMMERCIAL RENTAL UNITS

PARKING REQUIREMENT - RETAILS STORES- NEIGHBOURHOOD SHOPPING

5.5 PARKING STALL PER 35m² OF NET FLOOR AREA (NET FLOOR AREA - RENTABLE FLOOR AREA EXCLUDING STAIRWAYS/ELEVATORS, LOBBIES, WASHROOMS)

NET FLOOR AREA (EXCLUDING LOBBY & WASHROOM)= 483.41m²

REQUIRED PARKING 530.34 / 93 X 5.5 STALLS= 31.36 STALLS= 32 STALLS

REQUIRED PARKING = 268 PARKING STALLS

PARKING PROVIDED = 230 STALLS

14.1% REDUCTION = 38 STALLS (AGREED CPAG TEAM-TRANSPORTATION. 17% PARKING RELAX) REQUIRED PARKING=268 STALLS

DO NOT SCALE DRAWINGS: ANY DISCREPANCIES ARE TO BE REPORTED TO THE ARCHITECT PRIOR TO THE COMMENCEMENT OF ANY WORK.

THIS PLAN AND DESIGN ARE, AND AT ALL TIMES REMAIN THE EXCLUSIVE PROPERTY OF RICK BALBI ARCHITECT LTD. AND CANNOT BE USED OR REPRODUCED WITHOUT WRITTEN CONSENT.

Rick Balbi Architect Ltd.
5917 - 11A Street S.W.
Calgary, Alberta T2H 0G4
Ph: (403) 253-2853 Fax: (403) 253-3078
general@rbalbi.ca

Proposed
COMMERCIAL DEVELOPMENT
BUILDING E,F & G
2255 - 32 Street N.E.
CALGARY, AB

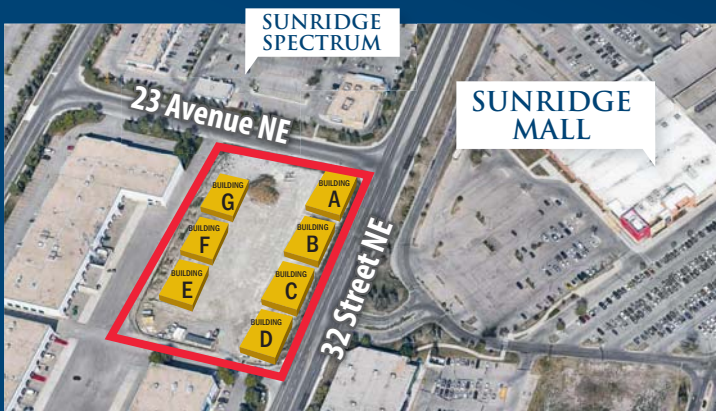
Drawing Title:
SITE PLAN & INFORMATION
Sheet DP1 of 5

JOB No. 20-043
DATE: MARCH 11, 2020
DRAWN: DJ/SM

**New Retail
Development
in Sunridge**

D R A F T

- Located in the major retail hub that includes Sunridge Mall, Sunridge Spectrum, Costco and Real Canadian Superstore
- Surrounded by communities of Sunridge, Rundle, Franklin, Marlborough, Horizon and Whitehorn
- Proximity to Rundle C-Train Station and Peter Lougheed Hospital



**RETAIL CONDOMINIUMS
FOR SALE**

**The Shoppes at
Sunridge**

2255 32 Street NE, Calgary

7 Buildings | **23 Units** | From **1,424 sf**

George C. Larson
VICE PRESIDENT INVESTMENT SALES
glarson@barclaystreet.com
c: 403-862-9432
d: 403-294-7182

Manish Adiani
ASSOCIATE, INVESTMENT SALES
adianim@barclaystreet.com
c: 403-975-0694
d: 403-294-7181

Blair Best
ASSOCIATE, INVESTMENT SALES
bbest@barclaystreet.com
c: 403-669-3969
d: 403-294-7156

403-290-0178 • Toll Free 1-877-867-6334 • 200, 407 8th Avenue SW Calgary, AB T2P 1E5
www.barclaystreet.com

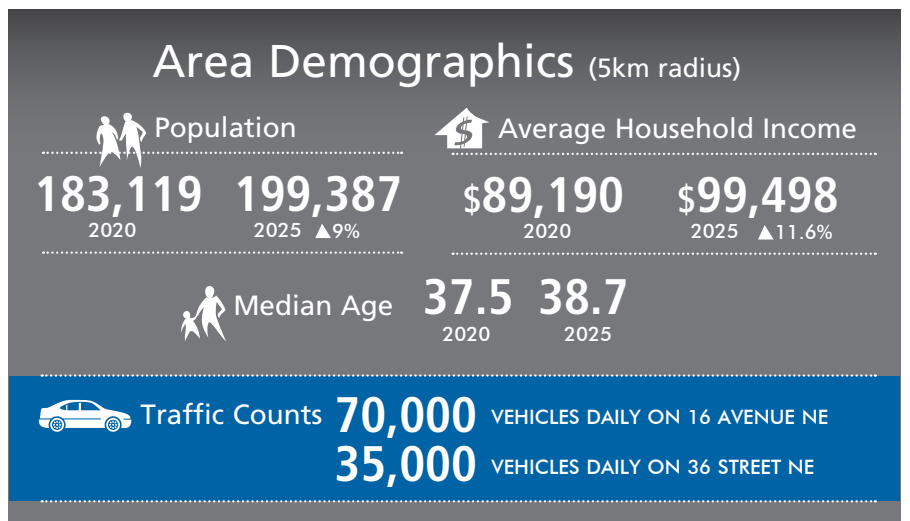
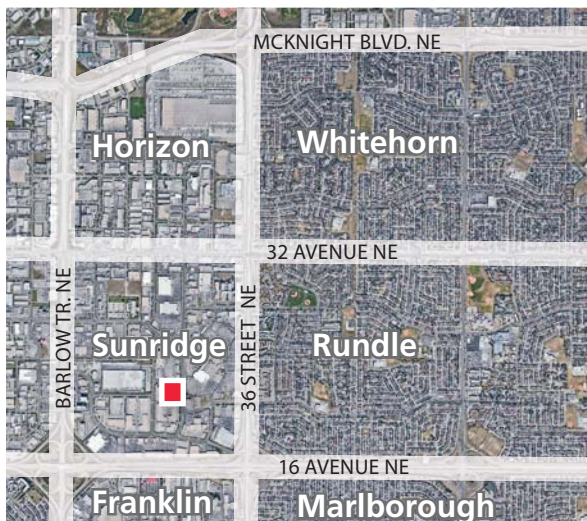


**BARCLAY
STREET**
REAL ESTATE

TCN
WORLDWIDE
REAL ESTATE SERVICES



LOCAL EXPERTISE MATTERS



THE SHOPPES AT SUNRIDGE is commercial development located along 32nd Street NE, Calgary and is designated for commercial space, medical/dental practices, office space and restaurants.

The seven-building complex features a pedestrian-friendly layout with weather protective canopies and cantilevered building facades along with a fully paved, landscaped parking lot and areas allocated to showcase public art.



PROPERTY INFORMATION

ADDRESS: 2255 32 Street NE, Calgary

LEGAL DESCRIPTION: Plan 9811891; Block 8; Lot 1

LAND USE: Direct Control (Bylaw No. 47Z95)

PARKING: 213 surface stalls

PRICE: Please contact brokers

PERMITTED USES

- Accessory food services
- Accessory uses
- Ancillary commercial uses
- Athletic and recreational facilities
- Auction halls
- Auto body and paint shops
- Automotive sales and rentals
- Automotive services
- Automotive specialties
- Cleaning, servicing, testing or repairing
- Crematoriums and columbariums
- Greenhouses and nurseries
- Grocery stores
- Laboratories
- Manufacturing, fabricating, processing, assembly, disassembly, production or packaging of materials, goods or products
- Mechanical reproduction and printing establishments
- Motion picture production facilities
- Movement or storage of materials, goods or products
- Offices
- Parking areas and structures
- Power generation facility, small-scale
- Radio and television studios
- Recreational and commercial vehicle repair, service, sales and rental
- Signs - Class 1
- Signs - Class 2 - freestanding identification only
- Veterinary clinics
- Veterinary hospitals

DISCRETIONARY USES

- Amusement arcades
- Billiard parlours
- Bottle return depots
- Childcare facilities
- Commercial schools
- Custodial quarters
- Drinking establishments
- Entertainment establishments
- Financial institutions
- Hotels and motels
- Kennels
- Liquor stores
- Medical clinics
- Outdoor cafe
- Power generation facility, mid-scale
- Private clubs and organizations
- Private schools
- Public and quasi-public buildings
- Restaurants - food service only
- Restaurants-licensed
- Retail stores
- Signs - Class 2 - except for freestanding identification
- Special function tents (commercial)
- Take-out food services
- Utility building
- Warehouse stores

BUY vs. LEASE CASE STUDY EXAMPLE

For illustrative purpose only. Purchase price for the sample condominium below does not represent actual purchase price for any condominium in The Shoppes at Sunridge.

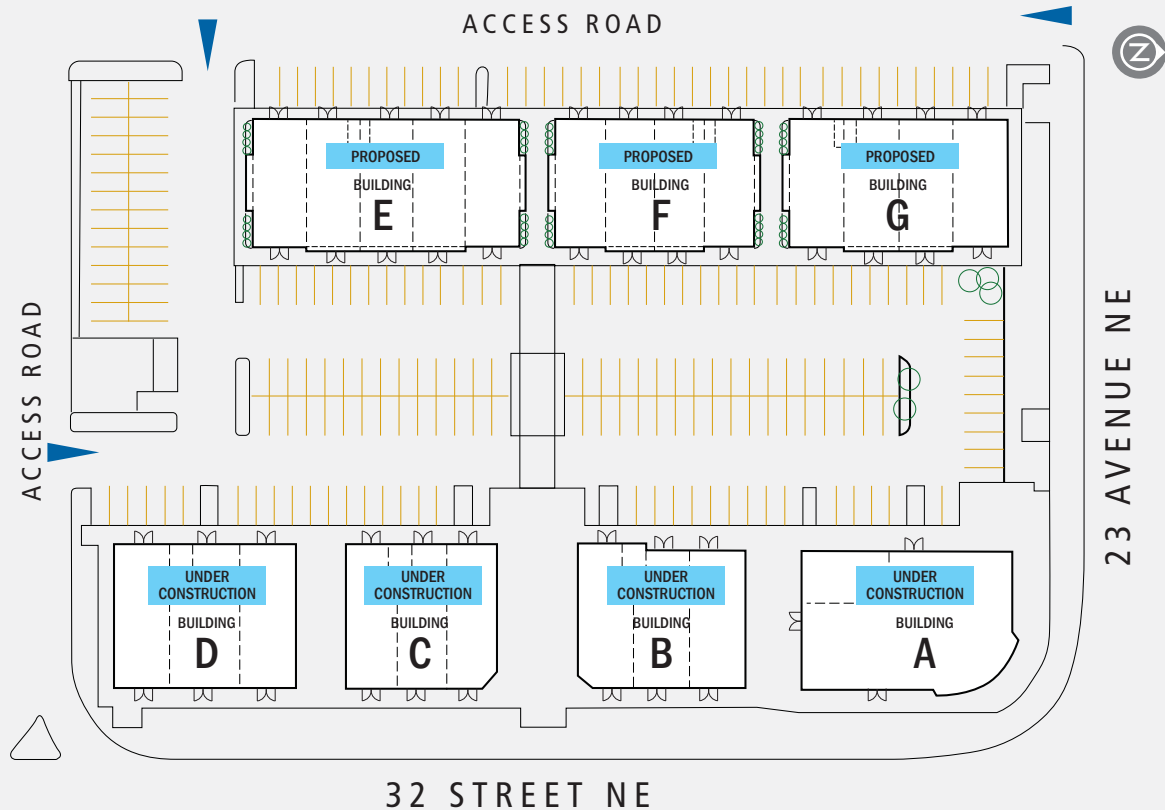
Lease Scenario (1,500 sf)

	RATE	ANNUAL COST
Basic Rent	\$32 psf	\$48,000
Operating Costs	\$16 psf	\$24,000
Signage	\$200/mo	\$2,400
Annual Cost		\$74,400
Costs over 5 years		\$334,500

Buy Scenario (1,500 sf)

	RATE	ANNUAL COST
Base Building	\$550 psf	\$825,000
Condo Fees	\$0.50 psf	\$9,000
Taxes	2.20%	\$18,150
Annual Cost		\$59,522.62
Costs over 5 years		\$297,613.10

Financing Assumptions	Mortgage (90%)	\$742,500.00
	Downpayment (10%)	\$82,500.00
	Interest Rate (4%)	\$29,700.00
	Term	25 years
	Monthly Payment	\$4,339.67
	Annual Payment	\$52,076.00
	Annual Principal Accumulation:	
	Year 1	\$19,703.38
	Year 2	\$20,499.40
	Year 3	\$21,327.57
	Year 4	\$22,189.20
	Year 5	\$23,085.65
	Payments over 5 years	\$260,380.00
	Mortgage Balance 5 years	\$718,194.80



BUILDING A AVAILABLE FOR SALE:
Stand alone building – **6218.1** sq. ft.
CEILING HEIGHT: 15.1'
COMPLETION ESTIMATE: Summer 2020

BUILDING B AVAILABLE FOR SALE:
Unit 1 – **1,587.8** sq. ft.
Unit 2 – **1,537.7** sq. ft.
Unit 3 – **1,589.2** sq. ft. } contiguous **4,714.7** sq. ft.
CEILING HEIGHT: 14.3'
COMPLETION ESTIMATE: Summer 2020

BUILDING C AVAILABLE FOR SALE:
Unit 1 – **1,451** sq. ft.
Unit 2 – **1,432.4** sq. ft.
Unit 3 – **1,485.1** sq. ft. } contiguous **4,368.5** sq. ft.
CEILING HEIGHT: 14.3'
COMPLETION ESTIMATE: Summer 2020

BUILDING D AVAILABLE FOR SALE:
Unit 1 – **1,684** sq. ft.
Unit 2 – **1,995** sq. ft.
Unit 3 – **1,684** sq. ft. } contiguous **5,363** sq. ft.
CEILING HEIGHT: 14.3'
COMPLETION ESTIMATE: Summer 2020

BUILDING E AVAILABLE FOR SALE:
Unit 1 – **1,555** sq. ft.
Unit 2 – **1,518** sq. ft.
Unit 3 – **1,518** sq. ft.
Unit 4 – **1,518** sq. ft.
Unit 5 – **1,555** sq. ft. } contiguous **7,664** sq. ft.
CEILING HEIGHT: TBV
COMPLETION ESTIMATE: Fall 2020

BUILDING F AVAILABLE FOR SALE:
Unit 6 – **1,510** sq. ft.
Unit 7 – **1,424** sq. ft.
Unit 8 – **1,424** sq. ft.
Unit 9 – **1,510** sq. ft. } contiguous **5,868** sq. ft.
CEILING HEIGHT: TBV
COMPLETION ESTIMATE: Fall 2020

BUILDING G AVAILABLE FOR SALE:
Unit 10 – **1,584** sq. ft.
Unit 11 – **1,548** sq. ft.
Unit 12 – **1,548** sq. ft.
Unit 13 – **1,498** sq. ft. } contiguous **6,178** sq. ft.
CEILING HEIGHT: TBV
COMPLETION ESTIMATE: Fall 2020



BUILDING A

AVAILABLE FOR SALE:

Stand alone building –
6218.1 sq. ft.

CEILING HEIGHT: 15.1'

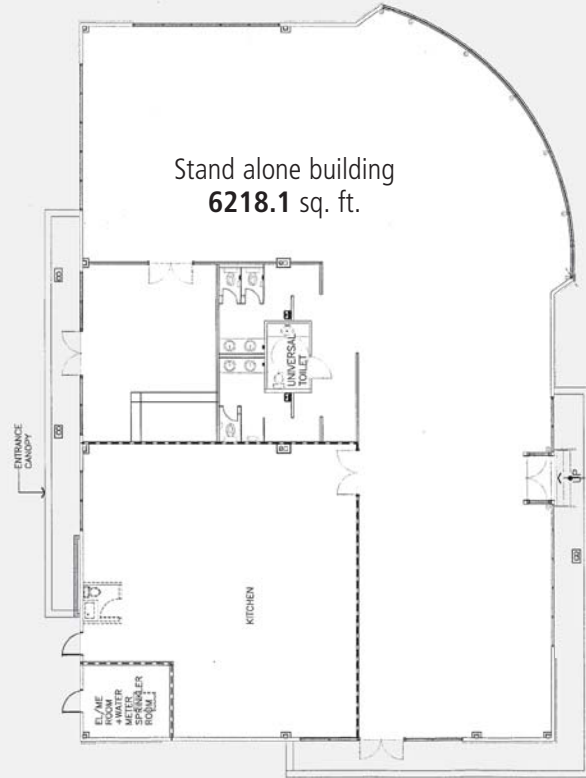
COMPLETION ESTIMATE:

Summer 2020

23 AVENUE NE



Stand alone building
6218.1 sq. ft.



32 STREET NE



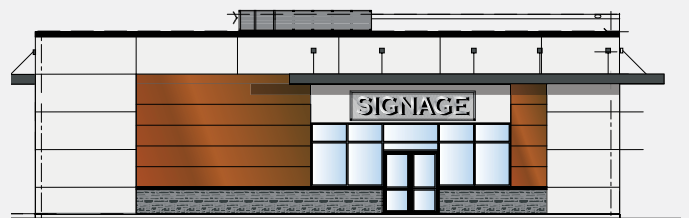
East Side



West Side



North Side



South Side



BUILDING B

AVAILABLE FOR SALE:

Unit 1 – 1,587.8 sq. ft.

Unit 2 – 1,537.7 sq. ft.

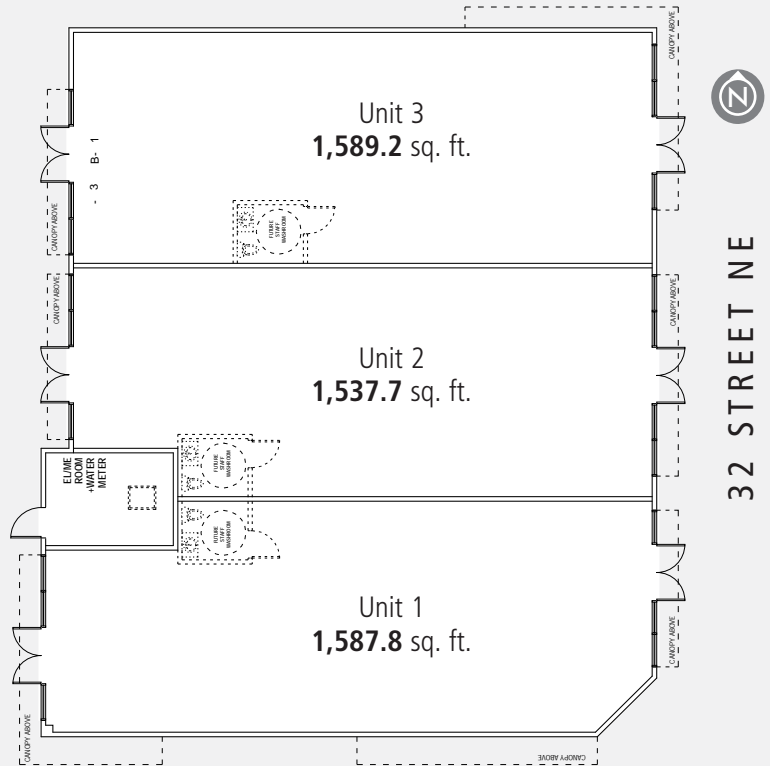
Unit 3 – 1,589.2 sq. ft.

contiguous
4,714.7 sf

CEILING HEIGHT: 14.3'

COMPLETION ESTIMATE:

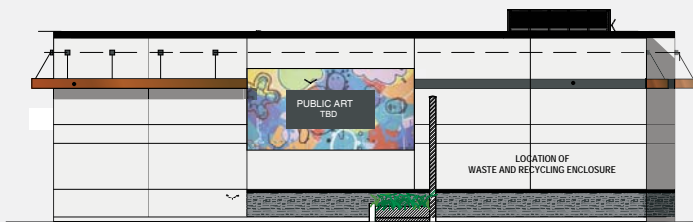
Summer 2020



East Side



West Side



North Side



South Side



BUILDING C

AVAILABLE FOR SALE:

Unit 1 – 1,451 sq. ft.

Unit 2 – 1,432.4 sq. ft.

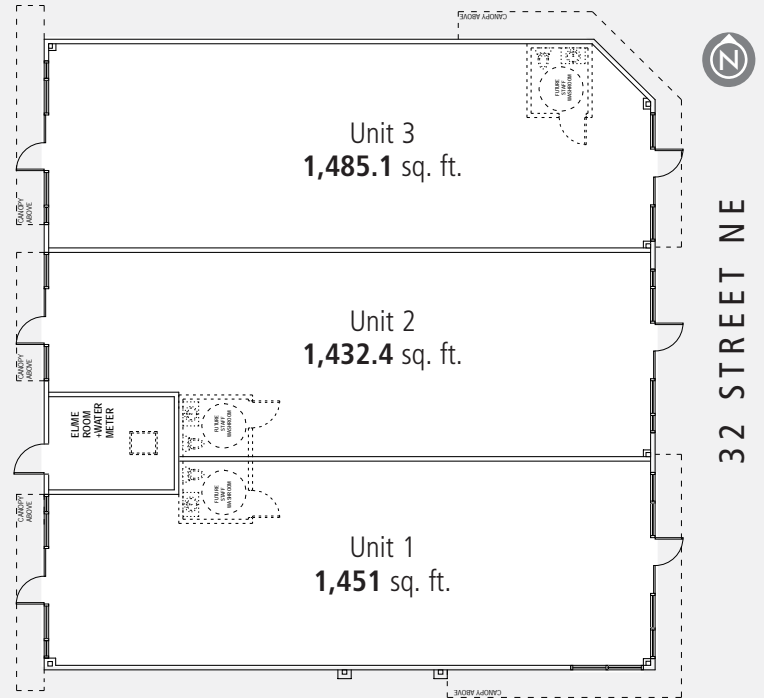
Unit 3 – 1,485.1 sq. ft.

contiguous
4,368.5 sf

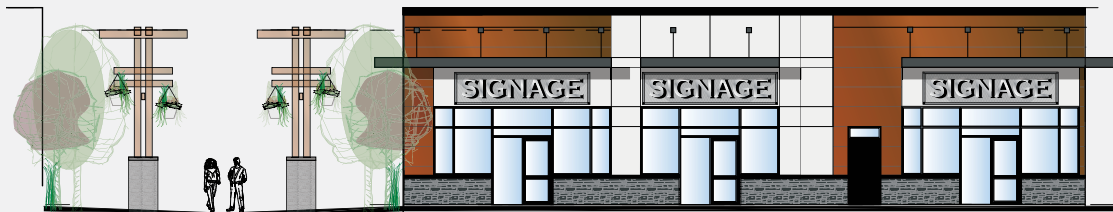
CEILING HEIGHT: 14.3'

COMPLETION ESTIMATE:

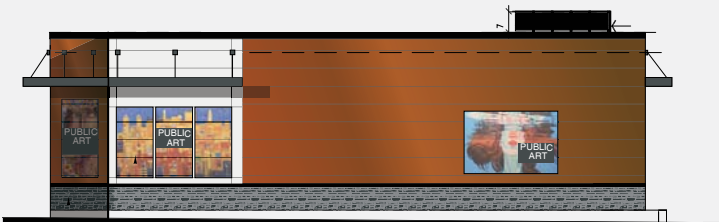
Summer 2020



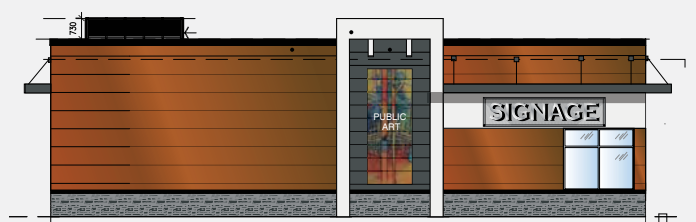
East Side



West Side



North Side



South Side



BUILDING D

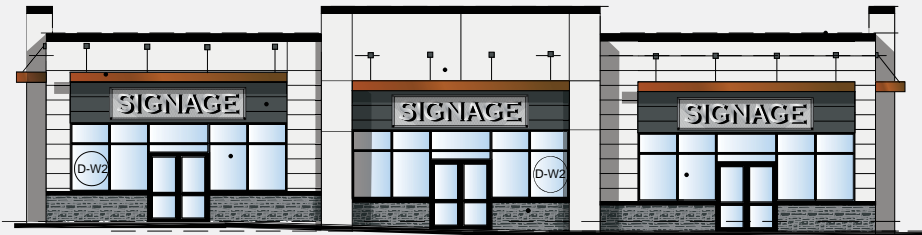
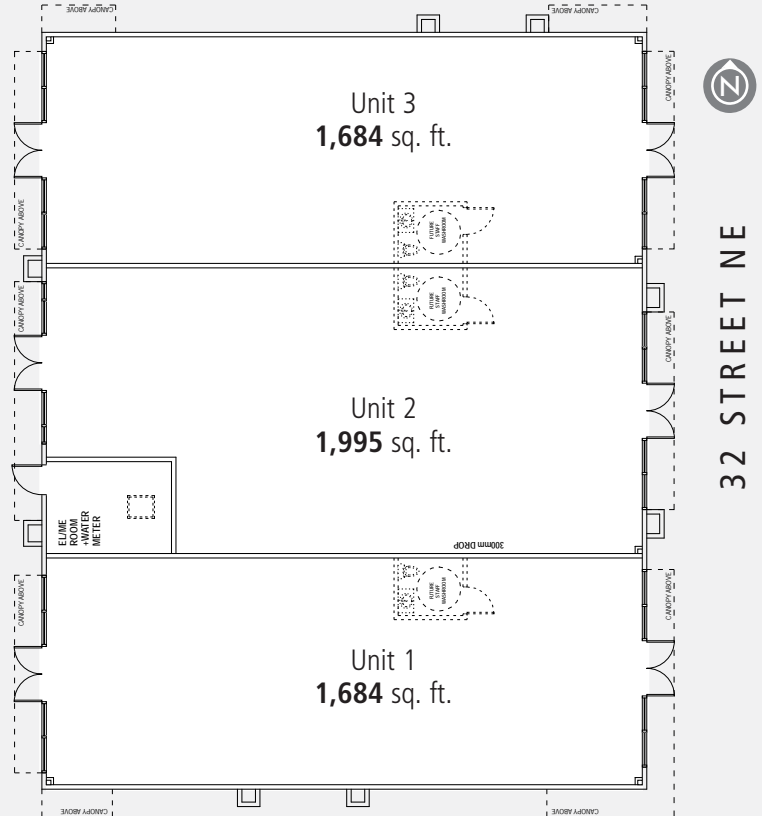
AVAILABLE FOR SALE:

Unit 1 – 1,684 sq. ft.
Unit 2 – 1,995 sq. ft.
Unit 3 – 1,684 sq. ft.

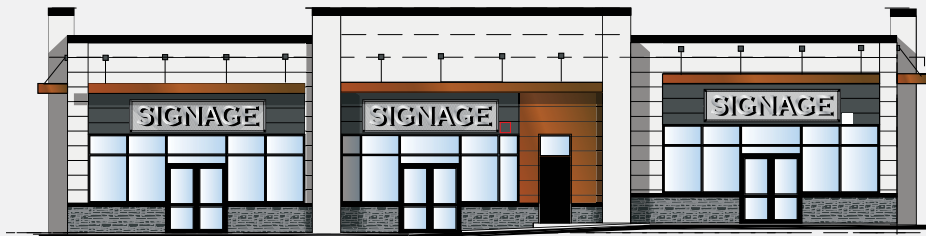
contiguous
5,363 sq. ft.

CEILING HEIGHT: 14.3'

COMPLETION ESTIMATE:
Summer 2020



East Side



West Side



North Side



South Side



BUILDING E

AVAILABLE FOR SALE:

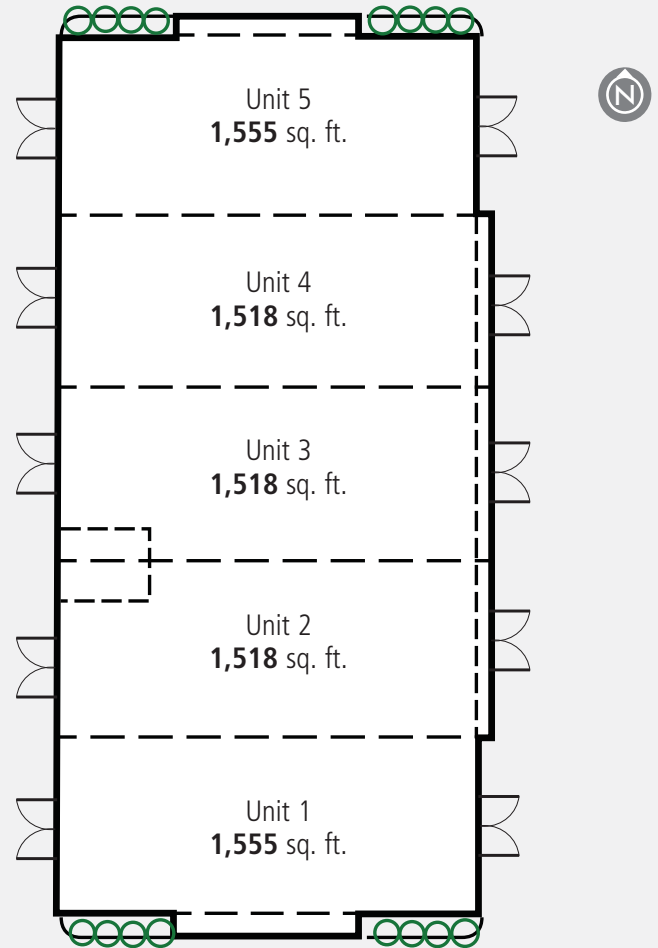
Unit 1 – 1,555 sq. ft.
 Unit 2 – 1,518 sq. ft.
 Unit 3 – 1,518 sq. ft.
 Unit 4 – 1,518 sq. ft.
 Unit 5 – 1,555 sq. ft.

contiguous
7,664 sq. ft.

CEILING HEIGHT: TBV

COMPLETION ESTIMATE:

Fall 2020



East Side



West Side



BUILDING F

AVAILABLE FOR SALE:

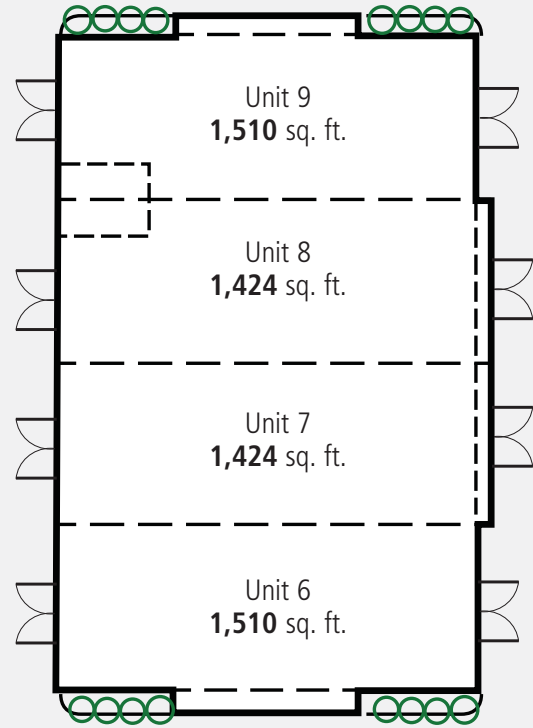
Unit 6 – 1,510 sq. ft.
 Unit 7 – 1,424 sq. ft.
 Unit 8 – 1,424 sq. ft.
 Unit 9 – 1,510 sq. ft.

contiguous
5,868 sq. ft.

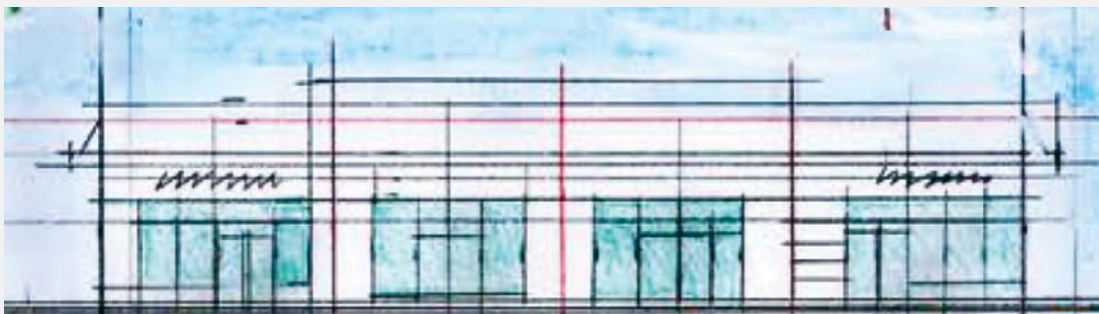
CEILING HEIGHT: TBV

COMPLETION ESTIMATE:

Fall 2020



East Side



West Side



BUILDING G

AVAILABLE FOR SALE:

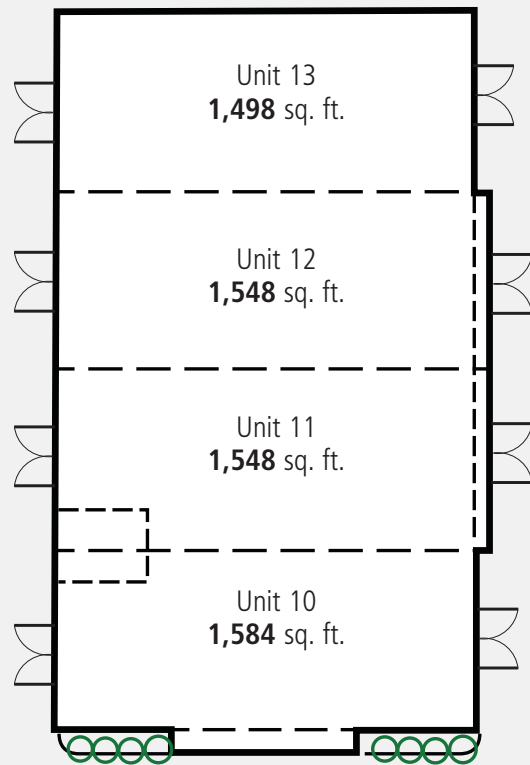
Unit 10 – 1,584 sq. ft.
 Unit 11 – 1,548 sq. ft.
 Unit 12 – 1,548 sq. ft.
 Unit 13 – 1,498 sq. ft.

contiguous
6,178 sq. ft.

CEILING HEIGHT: TBV

COMPLETION ESTIMATE:
 Fall 2020

23 AVENUE NE



East Side



West Side




TCN
WORLDWIDE
REAL ESTATE SERVICES



LOCAL EXPERTISE MATTERS

EFC Quote

Option #1 – One Storey Building E

	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 225-32 Street NE, Calgary, AB	Date Submitted	February 5, 2020
	Project No	SE-140	EFC Developments Contact Name	Ed Skapin/ Birgitte Leblic
			Project No	

Project Budget Building E

Based on Former Design


No Second floor

Scope	Budget Amount
Site work/excavation	\$ 75,275.00
Concrete	\$90,893.00
Masonry	\$35,627.00
Metals	\$278,000.00
Wood and plastics	\$27,600.00
Thermal/moisture protection	\$283,385.00
Doors and windows	\$349,800.00
Finishes	\$530,794.00
Conveying systems / Elevator	\$0
Mechanical	\$249,000.00
Electrical	\$215,000.00
General conditions additional 4 months to contract	\$105,256.00
Mark-up as per contract 2.5%	\$56,015.77
Total Budget	\$2,296,646.00

Pricing excludes GST and winter conditions

EFC Quote

Option #2 – Two Storey Building E

	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 225-32 Street NE, Calgary, AB	Date Submitted	February 5, 2020
	Project No	SE-140	EFC Developments Contact Name	Ed Skapin/ Birgitte Leblie
			Project No	

Project Budget Building E


Based on Former Design

Scope	Budget Amount
Site work/excavation	\$ 75,275.00
Concrete	\$128,469.00
Masonry	\$35,627.00
Metals	\$348,500.00
Wood and plastics	\$27,600.00
Thermal/moisture protection	\$283,385.00
Doors and windows	\$349,800.00
Finishes	\$593,882.00
Conveying systems / Elevator	\$100,000.00
Mechanical	\$292,700.00
Electrical	\$232,200.00
General conditions additional 4 months to contract	\$105,256.00
Mark-up as per contract 2.5%	\$64,319.85
Total Budget	\$2,637,114.00

Pricing excludes GST and winter conditions

EFC Quote

Option #3 –One Storey Buildings E, F, G


	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 2255-32 Street NE, Calgary, AB	Date Submitted	March 25, 2020
	Project No		EFC Developments Contact Name	Ed Skapin/ Birgitte Leblic
			Project No	17016

Project Budget – Building E

Based on Drawings DP1, DP2, DP3, DP4, DP5 (March 11, 2020)

Division	Scope	Budget Amount
2	Site construction (excavation and backfill, building sidewalk)	\$158,286.00
3	Concrete	\$135,828.00
5	Metals/structural steel	\$178,947.00
6	Wood and plastics	\$10,000.00
7	Thermal/moisture protection	\$150,364.00
8	Doors and windows	\$106,520.00
9	Finishes	\$218,031.00
15	Mechanical	\$170,000.00
16	Electrical	\$84,800.00
	Special general expenses	\$8,044.00
	Total Budget	\$1,220,820.00

Pricing excludes GST and winter conditions


	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 2255-32 Street NE, Calgary, AB	Date Submitted	March 25, 2020
	Project No		EFC Developments Contact Name	Ed Skapin/ Birgitte Leblic
			Project No	17016

Project Budget – Building F

Based on Drawings DP1, DP2, DP3, DP4, DP5 (March 11, 2020)

Division	Scope	Budget Amount
2	Site construction (excavation and backfill, building sidewalk)	\$120,580.00
3	Concrete	\$101,795.00
5	Metals/structural steel	\$135,201.00
6	Wood and plastics	\$10,000.00
7	Thermal/moisture protection	\$112,697.00
8	Doors and windows	\$83,175.00
9	Finishes	\$166,092.00
15	Mechanical	\$132,314.00
16	Electrical	\$73,800.00
	Special general expenses	\$7,352.00
	Total Budget	\$943,006.00

Pricing excludes GST and winter conditions


	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 2255-32 Street NE, Calgary, AB	Date Submitted	March 25, 2020
	Project No		EFC Developments Contact Name	Ed Skapin/ Birgitte Leblic
			Project No	17016

Project Budget – Building G

Based on Drawings DP1, DP2, DP3, DP4, DP5 (March 11, 2020)

Division	Scope	Budget Amount
2	Site construction (excavation and backfill, building sidewalk)	\$72,235.00
3	Concrete	\$139,676.00
5	Metals/structural steel	\$152,316.00
6	Wood and plastics	\$10,000.00
7	Thermal/moisture protection	\$130,094.00
8	Doors and windows	\$106,535.00
9	Finishes	\$181,403.00
15	Mechanical	\$136,439.00
16	Electrical	\$71,900.00
	Special general expenses	\$6,261.00
	Total Budget	\$1,006,859.00

Pricing excludes GST and winter conditions

	Customer	Alvarez and Marsal	Rev No	0
	Project Name	Commercial Development 2255-32 Street NE, Calgary, AB	Date Submitted	March 25, 2020
	Project No		EFC Developments Contact Name	Ed Skapin/ Birgitte Leblic
			Project No	17016

Project Budget - Site

Based on Drawings DP1, DP2, DP3, DP4, DP5 (March 11, 2020)

Division	Scope	Budget Amount
2	Site construction (concrete, excavation, landscaping)	\$182,716.00
	Erosion control	\$5,000.00
	Civil to new buildings	\$75,000.00
	Survey	\$10,000.00
	Civil design	\$20,000.00
	Fence	\$20,000.00
3	Concrete (sign bases)	\$45,000.00
4	Masonry	\$18,000.00
5	Metals/structural steel	\$35,000.00
6	Wood and plastics (miscellaneous lumber)	\$1,000.00
9	Finishes (stucco, steel studs, exterior drywall)	\$35,000.00
16	Electrical (secondary)	\$30,000.00
	Total Budget	\$476,716.00

Pricing excludes GST and winter conditions

RESPONSE TO UNDERTAKING NO. 2

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn
Joseph N. Card
M. James Tymchyshyn
Jeffrey B. Woodruff

#100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9
Telephone: 403-291-2532
Fax: 403-291-2534
Real Estate Fax: 403-291-2614

March 11, 2021

File No. 03 9756 015
Via Email: derek.pontin@dentons.com

DENTONS CANADA LLP
15th Floor, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Derek Pontin

Dear Sir:

RE: Your File No.: 559316-3
Mortgage claim by Hillsboro Ventures Inc.
Ceana Development Sunridge Inc., Bahadur Gaidhar, and Yasmin Gaidhar

We write today to respond to a number of issues.

Response to Undertakings

Justice Eidsvik has required that we provide additional responses to Undertakings from cross-examination. Our latest recollection is that those outstanding Undertakings are set out in our letter of December 18, 2020, and we respond by Undertaking number.

Undertaking No. 2: Provide copies of any financial statements

Previous Response: Request has been made to the bookkeeper

Updated Response: We now respond with the attached documents

Undertaking No 3: Provide copies of general ledger

Previous Response: Request has been made to the bookkeeper

Previous Response: (from December 11, 2020) Notwithstanding Mr. Gaidhar consented to the delivery of these and this Undertaking was not taken under advisement, we are presently reviewing whether these responses are relevant or producible

Updated Response: We will not provide ledger as the Receiver has already received all bank statements.

Undertaking No. 6: Provide copies of the inter-company cheques where monies were loaned to Ceana Sunridge by related companies

Previous Response: Request has been made to the bookkeeper

Previous Response: The bookkeeper is located in Vancouver accounting office. Answer to our request has not yet been received

Updated Response: There is a schedule attached below. Otherwise, these are internal company matters and Mr. Gaidhar will not provide related company accounts as these are not in question.

Undertaking No. 9: Provide copies of any agreements entered into with Parmjeet Gill

Previous Response: We understand that Mr. Parmjeet Gill is a real estate agent who received fees. A copy of the agreement has been requested

Previous Response: We continue to await the response which will be provided upon receipt

Updated Response: The agreement was entered into with the realtor from Century 21 in Calgary, Mr. Gurjant Gill, not Parmjeet Gill as previously referenced. We do not have a copy of the agreement.

Our client has indicated that there was major flooding in the old office at 101, 3115 – 12th Street NE, Calgary, in either late 2016 or 2017. Dream Management were managing the building at the time. All documents on the floor from 2012-2015 were waterlogged and beyond recognition. Mr. Gaidhar has ordered statements from the bank. There is a charge and it will take time. Mr. Gaidhar will provide them as soon as they are received by mail.

Dentons Letter – March 2, 2021

Your letter incorporates a number of questions. With respect to Madam Justice Eidsvik's suggestion of a meeting to occur between Mr. Gaidhar and Hillsboro, to discuss Hillsboro's accounting, we do not believe that such a meeting would be profitable. Aside from the obvious animosity between the parties, the suggestion of a meeting between respective accountants may be more useful.

Your letter, at the 4th paragraph, suggests that Hillsboro has provided to the Receiver its full and complete disclosure of all loan documents and accounting records. We do not doubt that Hillsboro has provided such information. However, there continues to be a discrepancy between the position of Hillsboro and Ceana Sunridge.

Of course, Ceana Sunridge is now in receivership and not able to make authoritative decisions on its own part.

Our concern with the Receiver's review of Hillsboro's accounting is that the Receiver has added up all of the pluses and minuses and concluded that the numbers "are accurate". However, we now enclose our latest revised accounting. We attach a large spreadsheet in two pages. This has been presented as it was provided to our office. We are anticipating providing you with an electronic version to make it more legible.

Our concern has always been that the mortgages were significantly underfunded. Although Hillsboro advanced money, and in particular through BLG, a significant portion was not advanced to Sunridge and in consequence, was not available for the actual construction. In principle, although Hillsboro agreed to advance \$6,500,000, our figures suggest that the only amounts funded to construction were \$4,473,272. There is a significant underfunding of \$2,026,700. Essentially one-third of the mortgage amounts were never advanced except as prepayment of interest, monitoring fees, etc.

We have a significant dispute with excessive and incorrect fees of \$650,125.

Accompanying our two-page spreadsheet, we have also provided details. Our page "AS PER KEITH" shows our response to Hillsboro's accounting.

We attach two pages of details called "AS PER CEANA PG. 1" and "AS PER CEANA PG. 2".

We also attach a sheet "CEANA – RECONCILIATION" to add further input and clarification.

Document called "page 3" shows a summary of security taken by Hillsboro in the total amount of \$19,500,000.

Your March 2, 2021 letter raises the issue of the accountings that we provided previously. Those materials have never been presented as "a report". The numbers however are accurate and quite comprehensible to anyone with a minimal level of accounting experience. There certainly has been no attempt to deceive.

As to a call between our clients and our accountant, we are prepared to answer questions and provide clarification. However, because of references to our accountant "Mr. Gaidhar's daughter" in a rather dismissive fashion, ignoring that she is in fact a CPA, CA with considerable experience, Mr. Gaidhar is tasked with finding a new accountant.

Paragraph 7 of your March 2, 2021 letter asks that Mr. Gaidhar's concerns be particularized. Please consider the attached to be such particulars.

The conclusion that you reach in paragraph 8 confirms greater concern with the "what" rather than the "why".

Additional Schedules

We attach additional schedules. The first is a document called "FROM CEANA AND RELATED COMPANIES" showing the apportionment of funds on the land purchase closing.

Next is a document "From Ceana Sunridge page 1" in two pages. This shows the disposition of funds from Ceana Sunridge to Fast Track and other recipients.

The next document entitled "From Ceana Dev Inc pg 1" represents payments from Ceana Development Inc., the holding company, to Fast Track and other creditors.

The next document entitled "CEANA DEV VISA – page 1", along with noted pages 2 and 3, show Ceana Development Inc.'s Visa #9820 payments to various creditors.

The last document of this group is entitled "FAST TRACK COMMERCIAL PAYMENTS FROM DUNKLEY LAW / Hillsboro". This represents a recognition of a portion of the payments extended through Dunkley Law Office, totaling \$2,094,330.31.

Additional Analysis – Ceana Development Sunridge Inc. (in receivership)

There are two versions of this accounting, both of which we attach that have comments. The first is as at June 1, 2019 and the second is as at October 31, 2020.

On the version as at June 1, 2019, our client highlights the assessment of the amounts outstanding on the various loans at that date. Issues such as "monitoring" disclose significant fees which are not consistent with even the forbearance agreement. It appears that once monitoring was commenced, notwithstanding that no construction occurred for at least 24 months, those regular fees continued to be assessed in amounts varying from \$2,100 per month to \$13,650 per month.

There is evidence of double counting of interest. First by segregating the interest reserve and then separately charging interest on the same.

The document analysis as at October 31, 2020 simply confirms what became an absurdity, based on the strict wording of the forbearance agreement but without any context in reality.

At various times, recognizing the impossibility of recovering, Ceana Sunridge had offered to sell the project to Hillsboro and then finally to quit claim the project to Hillsboro. We believe it was in the face of the offer to quit claim that Hillsboro brought its Application for Receivership, again a fruitless and expensive exercise.

Involvement of BLG

The documents that we received through Mr. Halt's office to convince us that BLG was not at fault, disclosed what we believe was the first time we have seen such accounting. Although it is clear that BLG was only following instructions, it was also clear that Hillsboro was manipulating the situation to its own benefit. Although BLG had the \$2,440,000 in its trust account, be it in a different sub-account, and it is clear the money was earmarked specifically for the purposes of construction, that was not the case. It is not BLG's fault. However, it is clear that no such monies were advanced in any realistic fashion to allow construction to proceed.

We are not then surprised when our general contractor, Fast Track, filed a Builder's Lien in December for almost the exact amount that was promised in BLG's representations. We are beyond blaming BLG, but clearly they were acting on instructions from Hillsboro, who to our observation, really had no intention of adequately funding any of the mortgages to allow construction to proceed.

We attach a copy of BLG's reporting letter of September 24, 2018 tendered in response to our queries of September 12, 2018. You will note various comments by our client onto the attached.

We are happy to entertain any questions that you might have.

Yours very truly,
GLENN & CARD LAW LLP


THOMAS F. GLENN
Barrister and Solicitor
Email: tfglenn@gclawyers.ca

/tf/cc. Ceana/Gaidhar
Enclosures

DATES AND DESCRIPTION	AMOUNT BLG TRUST	PAID OUT /BALANCE	PAID BY	BALANCE	KH FUND RECEIVED	COMMENTS	INTEREST HOLDBACK	blg	FEEs	DOC REGISTERED	MTG DATE	AMOUNT	REG #
TOTAL:	\$ 5,232,500.00					Interest reserve Outstanding	\$ 1,177,000.00						
					-\$ 2,758,501.49	FEEs -HILLSBORO (HB)		\$ 63,061.83	\$ 138,625.00			\$ 16,500,000.00	
LOAN PROCEEDS - 3M:													
Jan 12 2017	\$ 2,432,500.00												
Mtg Payout	-\$	650,000.00	BLG	-\$ 650,000.00		650K mtg payout for Liberty Mtg							
Hold back interest reserve	-\$	550,000.00	BLG	-\$ 1,200,000.00		550K interest reserve hold back	\$ 550,000.00						
Balance	-\$	1,232,500.00	BLG			\$ 1,232,500.00							
Jan 12 2017		1,231,350.00	BLG	-\$ 2,431,350.00	-\$ 1,231,350.00	Paid to KH							
Jan 12 2017	-\$	8,450.00	BLG	-\$ 2,439,800.00		BLG Fees		\$ 8,450.00					
Jan 12 2017	-\$	60,000.00	BLG	-\$ 2,499,800.00		FEEs HB		\$ 60,000.00					
Jan 12 2017	-\$	200.00	BLG	-\$ 2,500,000.00		Disbursements		\$ 200.00					
Balance	-\$	67,500.00	BLG			Balance							
March 2 2017	-\$	10,768.74	BLG	-\$ 2,510,768.74		BLG Legal		\$ 10,768.74					
March 2 2017	-\$	200.00	BLG	-\$ 2,510,968.74		Final Disbursements		\$ 200.00					
March 2 2017	-\$	489,031.26	BLG	-\$ 3,000,000.00	-\$ 489,031.26	Paid to KH							

Balance of UNDERFUNDING	-\$	567,500.00	UNDERFUNDED
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TOTAL LOAN	\$	3,000,000.00	
ADDITIONAL NOT ACCOUNTED FOR	-\$	17,500.00	NOT IN TRUST ACCOUNT BLG
UNDERFUNDED - INTEREST HB NOT IN TRUST	-\$	550,000.00	NOT IN TRUST ACCOUNT BLG
TOTAL FUNDED	\$	2,432,500.00	Total funding \$ 2,432,500.00

LOAN PROCEEDS - 2M:	\$ 1,300,000.00	ONLY 1.3 M WAS PUT INTO THE TRUST ACCOUNT THEREFORE 700,000 SHORT											
Aug 2 2017													
Aug 3 2017 - Payouts	-\$	150,000.00	BLG	-\$ 150,000.00		150K Alpha Steel							
Aug 3 2017 - Payouts	-\$	100,000.00	BLG	-\$ 250,000.00		100K Kason							
Aug 3 2017 - Payouts	-\$	300,000.00	BLG	-\$ 550,000.00		FT Commercial 300K							
Aug 3 2017 - Payouts	-\$	93,584.14	BLG	-\$ 643,584.14		93K Primary Engineering							
August 18 2017	-\$	8,415.83	BLG	-\$ 651,999.97	-\$ 8,415.83	KH Dunkley - Insurance and fees							
Aug 3 2017 - Payouts total	-\$	651,999.97	BLG	-\$ 651,999.97									
Balance of funding	\$	648,000.03											
August 18 2017	-\$	640,000.00	BLG	-\$ 1,291,999.97		HB Interest reserve (310k alpha)	\$ 330,000.00						
Sept 1 2017	-\$	94,500.00	BLG	-\$ 94,500.00		HB interest reserve	\$ 94,500.00						
Sept 19 2017	-\$	8,000.00	BLG	-\$ 1,299,999.97		BLG Legal		\$ 8,000.00					
Balance of funding	-\$	94,499.97				Balance of funding							
OCT 6 2017	-\$	100,000.00	BLG	-\$ 1,399,999.97	-\$ 100,000.00	Paid to KH							
Oct 10 2017	-\$	167,000.00	BLG	-\$ 1,566,999.97	-\$ 167,000.00	Paid to KH							
Oct 17 2017	-\$	338,500.00	BLG	-\$ 1,905,499.97	-\$ 338,500.00	Paid to KH							

Balance of UNDERFUNDING	-\$	699,999.97	UNDERFUNDED
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TOTAL LOAN	\$	2,000,000.00	
NOT FUNDED - NOT DEPOSITED IN TRUST	-\$	699,999.97	NOT IN TRUST ACCOUNT BLG
TOTAL FUNDED	\$	1,300,000.03	Total funding \$ 1,300,000.03

\$700K FUNDED FROM THE 2.4 M DEPOSIT HOWEVER 2M SHOULD HAVE BEEN DEPOSITED INTO TRUST ACCOUNT IN FIRST PLACE AND THEN 2M WORTH OF DISBURSEMENTS TO OFFSET. STILL MONEY IN THERE THAT SHOULD NOT HAVE BEEN FUNDED AS FOLLOWS													
DEPOSIT	\$	2,441,521.16											
DEPOSIT	\$	260,000.00											
TOTAL	\$	2,701,521.16											
FROM ABOVE	-\$	699,999.97											
REMAINING	\$	2,001,521.19											
GIVEN BACK	-\$	501,524.00	TO NEOTRIC										
TOTAL	\$	1,499,997.19	SHOULD NOT BE THERE AS MORTGAGE DOC SIGNED IN NOV 2017										

LOAN PROCEEDS - 1.5M:	\$ 1,500,000.00	IN TRUST ACCOUNT BUT ADVANCED BEFORE DOC SIGNED AND BY MISREPRESENTATION TO FASTTRACK											
Nov 7 2017													
Nov 7 2017 - Payout	-\$	202,500.00	BLG	-\$ 202,500.00		Interest reserve	\$ 202,500.00						
Nov 7 2017 - Payout	-\$	27,500.00	BLG	-\$ 230,000.00		Liberty and hillsboro fees		\$ 27,500.00					
Nov 7 2017 - Payout	-\$	51,125.00	BLG	-\$ 281,125.00		Neotric Lender fees		\$ 51,125.00					
Total	-\$	281,125.00				Total							
Balance	\$	1,218,875.00											
Nov 7 2017 - Payout	-\$	424,204.40	BLG	-\$ 705,329.40	-\$ 424,204.40	Paid to KH							
Jan 5 2018	-\$	10,000.00	BLG	-\$ 715,329.40		BLG Legal		\$ 10,000.00					
April 23 2018	-\$	4,156.96	BLG	-\$ 719,486.36		BLG Legal		\$ 4,156.96					
May 31 2018	-\$	18,076.57	BLG	-\$ 737,562.93		BLG Legal		\$ 18,076.57					
Sept 7 2018	-\$	3,209.56	BLG	-\$ 740,772.49		BLG Legal		\$ 3,209.56					

Balance of UNDERFUNDING	\$	759,227.51	UNDERFUNDED
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TOTAL LOAN	\$	1,500,000.00	
NOT FUNDED	-\$	759,227.51	IN TRUST ACCOUNT NOT GIVEN
TOTAL FUNDED	\$	740,772.49	Total funding \$ 740,772.49

UNDERFUNDED	-\$	2,026,727.48
LOAN	\$	5,232,500.00
FUNDED	\$	3,205,772.52

LOAN PRINCIPLE	\$	6,500,000.00
FUNDED	\$	4,473,272.52
UNDERFUNDED	\$	2,026,727.48
EXCESSIVE/INCORRECT FEES	\$	650,125.00

KH DISB	-\$	2,758,501.49
TOTAL LOAN	\$	6,500,000.00
PERCENT		-42%

EVIDENCE OF MARSHELLING AS ONLY 40% WENT TO KH DUNKLEY AND EVEN THAT WAS DIRECTED FOR SPENDING FOR THEM AND NOT GIVEN AUTHORITY TO PAY AS NEEDED

AUG 08 2017	July 5 2017 TO		
2M mortgage registered under Sunridge	July 5 2018	\$ 2,000,000.00	171183985

Nov 22 2017	October 10 2017		
1.5M mortgage registered under Sunridge	to October 9 2018	\$ 1,500,000.00	171262890
-Should have been discharged as new security from Westwinds provided			

Nov 22 2017			
1.5M mortgage registered under Conrich		\$ 1,500,000.00	171262892

Nov 22 2017			
3M mortgage registered under Conrich		\$ 3,000,000.00	171262893

June 6 2018			
8.5M mortgage registered under Conrich		\$ 8,500,000.00	171262893

Pagor.

	Rate	Interest/yr	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Interest accrued	
REVISED PER BOB NEW ACCOUNTING																									
	Principle	Rate	Interest/yr	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Interest accrued
Jan 12 2017	\$3,000,000.00	0.18	\$540,000.00	\$ 23,424.66	\$ 34,520.55	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 912,945.21	
Aug 2 2017	\$2,000,000.00	0.18	\$360,000.00	0	0	0	0	0	0	\$0.00	\$29,589.04	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$ 419,589.04	
Nov 7 2017	#REF!	0.18	#REF!	0	0	0	0	0	0	0	0	0	\$0.00	\$8,000.17	\$10,782.84	\$10,935.72	\$9,877.43	\$10,935.72	\$10,644.46	\$11,275.62	\$10,911.89	\$11,275.62	\$11,275.62	\$10,959.37	\$ 116,874.46
	Total interest			\$ 23,424.66	\$ 34,520.55	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 74,589.04	\$ 75,000.00	\$ 75,000.00	\$ 83,000.17	\$ 86,275.62	\$ 85,935.72	\$ 84,877.43	\$ 85,935.72	\$ 85,644.46	\$ 86,275.62	\$ 85,911.89	\$ 86,275.62	\$ 86,275.62	\$ 85,959.37	\$ 1,449,408.71	
				\$ 550,000.00										202500											
	Balance			\$ 526,575.34	\$ 492,054.79	\$ 447,054.79	\$ 402,054.79	\$ 357,054.79	\$ 312,054.79	\$ 267,054.79	\$ 192,465.75	\$ 117,465.75	\$ 42,465.75	\$ 161,965.58	\$ 76,182.73	\$ 9,752.99	\$ 94,630.41	\$ 180,566.13	\$ 266,210.59	\$ 352,486.21	\$ 438,398.10	\$ 524,673.72	\$ 610,949.34	\$ 696,908.71	

3M Loan Calc	17-Jan	17-Feb
Loan	\$ 2,500,000.00	\$ 2,500,000.00
RATE	0.18	0.18
Interest per day	\$ 1,232.88	\$ 1,232.88
DAYS	19	28
Interest	\$ 23,424.66	\$ 34,520.55

2M Interest Calc	17-Jul	AUG-SEPT
Loan	0	\$ 2,000,000.00
RATE		0.18
Interest per day		\$ 986.30
DAYS		30
Interest	0	\$ 29,589.04

INTEREST RECONCILIATION	
Interest payable	\$ 1,449,408.71
Interest reserve 1	-\$550,000.00
Interest reserve 2	-\$202,500.00
Balance owing	\$696,908.71

TOTAL INTEREST BASED ON FUNDING ONLY AND NOT INTEREST RESERVES \$ 1,449,408.71

Reasonability	3M	900000
	2M	420000
	1.5M	#REF!
Total expected		#REF!
Total calculated	\$	1,449,408.71
DIFF		#REF!
	REASONABLE	

1.5M Loan Calc	NOV	DEC	Jan	FEB	Mar	APRIL	MAY	Jun	JUL	AUG	SEPT
Loan	#####	\$ 705,329.40	\$ 715,329.40	\$ 715,329.40	\$ 715,329.40	\$ 719,486.36	\$ 737,562.93	\$ 737,562.93	\$ 737,562.93	\$ 737,562.93	\$ 740,772.49
RATE	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Interest per day	\$ 347.83	\$ 347.83	\$ 352.77	\$ 352.77	\$ 352.77	\$ 354.82	\$ 363.73	\$ 363.73	\$ 363.73	\$ 363.73	\$ 365.31
DAYS	23	31	31	28	31	30	31	30	31	31	30
Interest	\$ 8,000.17	\$ 10,782.84	\$ 10,935.72	\$ 9,877.43	\$ 10,935.72	\$ 10,644.46	\$ 11,275.62	\$ 10,911.89	\$ 11,275.62	\$ 11,275.62	\$ 10,959.37

1961.

PER HILLSBORO

DATE	MONITOR FEES	ADDITIONAL FEES	LOAN BALANCE	RATE	AMOUNT	ACCUM AMOUNT	BALANCE
	\$	335,000.00	\$	303,000.00			
						1,685,167.52	\$ 1,049,500.00
						2,256,667.52	\$ 1,049,500.00

	\$	270,900.00	\$	67,500.00	3M LOAN	Interest Paid	\$	963,424.39	\$	0	\$	550,000.00
Jan-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	14,795.00	\$	-	\$	547,001.00
Feb-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	14,795.00	\$	522,756.00
Mar-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	59,795.00	\$	468,306.00
Apr-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	140,795.00	\$	413,856.00
May-17	\$	9,450.00	\$	67,500.00	\$	3,000,000.00	\$	45,000.00	\$	359,406.00	\$	359,406.00
Jun-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	134,795.00	\$	304,356.00
Jul-17	\$	9,450.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	237,995.00	\$	254,356.00
Aug-17	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	284,795.00	\$	131,856.00
Sep-17	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	327,995.00	\$	133,206.00
Oct-17	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	370,795.00	\$	135,556.00
Nov-17	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	414,795.00	\$	137,906.00
Dec-17	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	464,795.00	\$	142,746.00
Jan-18	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	509,795.00	\$	101,394.00
Feb-18	\$	13,650.00	\$	-	\$	3,000,000.00	\$	45,000.00	\$	554,795.00	\$	160,044.00
Mar-18	\$	13,650.00	\$	-	\$	3,160,094.66	\$	40,420.66	\$	602,195.66	\$	221,094.66
Apr-18	\$	13,650.00	\$	-	\$	3,221,094.66	\$	48,316.42	\$	650,512.68	\$	283,061.08
May-18	\$	13,650.00	\$	-	\$	3,283,061.08	\$	49,249.92	\$	699,758.00	\$	345,957.00
Jun-18	\$	13,650.00	\$	-	\$	3,345,957.00	\$	50,185.35	\$	749,947.35	\$	409,796.35
Jul-18	\$	13,650.00	\$	-	\$	3,409,796.35	\$	51,146.95	\$	801,094.30	\$	474,593.30
Aug-18	\$	13,650.00	\$	-	\$	3,474,593.30	\$	52,118.90	\$	853,213.20	\$	540,362.20
Sep-18	\$	13,650.00	\$	-	\$	3,540,362.20	\$	53,105.76	\$	906,318.63	\$	607,117.63
Oct-18	\$	13,650.00	\$	-	\$	3,607,117.63	\$	54,106.76	\$	960,425.39	\$	674,874.39

	\$	\$3,600.00	\$	84,000.00	2M1 OAN	\$	501,888.20	\$	297,000.00	WRONG
JUL-17	\$	2,100.00	\$	53,000.00		\$	55,100.00	\$	241,900.00	
THIS SHOULD HAVE BEEN 330K +94.5K CHECK FUNDING DOC										

[illegible][illegible]

\$	31,500.00	\$	24,000.00	1.5 LOAN	\$	272,854.93	\$	202,500.00
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[illegible]

EXTRA FEES ADDED TO PRINCIPLE THAT SHOULD NOT BE AS THESE ARE PAID FROM BLG TRUST ACCOUNT AND THEY

SHOULD HAVE BEEN TAKEN OFF THE 759K THAT BIG HAS - THIS IS INCLUDED IN 1.5M DISBURSEMENTS FOR LOAN

AND NOT ON TOP OF AS HB IS DOING ABOVE, HE HAS MONEY IN TRUST ACCOUNT FROM BLG

TOTAL	\$ 42,374.00
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Apr-18	\$	4,157.00	BLG	SHOULD COME FROM TRUST AND NOT ADD TO PRINCIPAL
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Aug-18 \$ 3,210.00 BLG

Sep-18 \$ 10,000.00 BLG

Oct-18 \$ 6,930.00 ALTUS

Oct-18	\$	18,077.00	BLG	SHOULD COME FROM TRUST AND NOT ADD TO PRINCIPAL

PER CEANA SUNRIDGE

AS PER CEANA Pg. 1.

PER AGREEMENT REVIEW - ALL MONITORING FEES REMOVED - THESE WERE NOT AGREED UPON

DATE	MONITOR FEES	ADDITIONAL FEES	LOAN BALANCE	RATE	AMOUNT	ACCUM AMOUNT	BALANCE	CHECK
	\$ -	\$ -	-		\$	1,177,153.48	\$ 1,177,000.00	\$ 153.48

P

\$ - \$ 67,500.00 3M LOAN									
Interest old					Interest of \$2999 removed				
Jan-17	\$	-	\$	1,950,000.00	18%	\$	-	\$	550,000.00
Feb-17	\$	-	\$	1,950,000.00	18%	\$	9,652.50	\$	540,347.50
Mar-17			\$	2,450,000.00	18%	\$	36,750.00	\$	503,597.50
Apr-17			\$	2,450,000.00	18%	\$	36,750.00	\$	466,847.50
May-17			\$	2,450,000.00	18%	\$	36,750.00	\$	430,097.50
Jun-17			\$	2,450,000.00	18%	\$	36,750.00	\$	393,347.50
Jul-17			\$	2,450,000.00	18%	\$	36,750.00	\$	356,597.50
Aug-17			\$	2,450,000.00	18%	\$	36,750.00	\$	319,847.50
Sep-17			\$	2,450,000.00	18%	\$	36,750.00	\$	283,097.50
Oct-17			\$	2,450,000.00	18%	\$	36,750.00	\$	246,347.50
Nov-17			\$	2,450,000.00	18%	\$	36,750.00	\$	209,597.50
Dec-17			\$	2,450,000.00	18%	\$	36,750.00	\$	172,847.50
Jan-18			\$	2,450,000.00	18%	\$	36,750.00	\$	136,097.50
Feb-18			\$	2,450,000.00	18%	\$	36,750.00	\$	99,347.50
Mar-18			\$	2,450,000.00	18%	\$	36,750.00	\$	62,597.50
Apr-18			\$	2,450,000.00	18%	\$	36,750.00	\$	25,847.50
May-18			\$	2,450,000.00	18%	\$	36,750.00	\$	10,902.50
Jun-18			\$	2,450,000.00	18%	\$	36,750.00	\$	47,652.50
Jul-18			\$	2,450,000.00	18%	\$	36,750.00	\$	84,402.50
Aug-18			\$	2,450,000.00	18%	\$	36,750.00	\$	121,152.50
Sep-18			\$	2,450,000.00	18%	\$	36,750.00	\$	157,902.50
Oct-18			\$	2,450,000.00	18%	\$	36,750.00	\$	194,652.50
NOT IN AGREEMENT WITH PRINCIPLE BEING INCREASE AS THERE WAS NO DISCUSSION FROM HB INDICATING THAT THERE WAS A SHORTFALL AND HOW THIS WOULD BE FUNDED									
HB PURPOSELY CHARGED UNREASONABLE AND UNAUTHORIZED MONITORING FEES TO FORCE THE SHORTFALL AND THEREFORE INCREASE THE PRINCIPLE.									
PER BLG REPORT									
Jul-17	\$	-	\$	338,665.50		\$	-	\$	424,500.00
01-Aug	\$	-	\$	875,500.00	18%	\$	13,132.50	\$	411,367.50
Sep-17			\$	875,500.00	18%	\$	13,132.50	\$	398,235.00
Sep-17			\$	700,000.00	18%	\$	5,178.00	\$	393,057.00
Oct-17			\$	1,575,500.00	18%	\$	23,632.50	\$	369,424.50
Nov-17			\$	1,575,500.00	18%	\$	23,632.50	\$	345,792.00
Dec-17			\$	1,575,500.00	18%	\$	23,632.50	\$	322,159.50
Jan-18			\$	1,575,500.00	18%	\$	23,632.50	\$	298,527.00
Feb-18			\$	1,575,500.00	18%	\$	23,632.50	\$	274,894.50
Mar-18			\$	1,575,500.00	18%	\$	23,632.50	\$	251,262.00
Apr-18			\$	1,575,500.00	18%	\$	23,632.50	\$	227,629.50
May-18			\$	1,575,500.00	18%	\$	23,632.50	\$	203,997.00
Jun-18			\$	1,575,500.00	18%	\$	23,632.50	\$	180,364.50
Jul-18	\$	-	\$	1,575,500.00	18%	\$	23,632.50	\$	156,732.00
Aug-18			\$	1,575,500.00	18%	\$	23,632.50	\$	133,099.50
Sep-18			\$	1,575,500.00	18%	\$	23,632.50	\$	109,467.00
Oct-18			\$	1,575,500.00	18%	\$	23,632.50	\$	85,834.50
NOT IN AGREEMENT WITH PRINCIPLE BEING INCREASE AS THERE WAS NO DISCUSSION FROM HB INDICATING THAT THERE WAS A SHORTFALL AND HOW THIS WOULD BE FUNDED									
HB PURPOSELY CHARGED UNREASONABLE AND UNAUTHORIZED MONITORING FEES TO FORCE THE SHORTFALL AND THEREFORE INCREASE THE PRINCIPLE.									

\$	-	\$	-	1.5 LOAN	\$	93,835.48	\$	202,500.00
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[illegible]

REMOVED FEES AS THESE WERE TAKE TRUST BLG
SEE PAGE 26 BLG REPORT

CEANA RECONCILIATION

RECONCILIATION OF OVERALL INTEREST OWING VERSUS INTEREST PAID BY DATE

DESCRIPTION	MONEY OUT	MONEY IN	ROLLING BALANCE	DIFFERENCE AND COMMENTS	
TOTALS AND DIFFERENCE	\$ 1,177,153.48	\$ 1,177,000.00		\$	153.48
OPENING BALANCE OF INTEREST RESERVE		\$ 550,000.00	\$ 550,000.00	JAN 12 2017 3M LOAN (SEE BLG PAGE 3)	
INTEREST LOAN 3M TOTAL PER OUR CALC (FEB TO JULY)	\$ 193,402.50		\$ 356,597.50		
FEES PER OUR CALC 3M	\$		\$ 356,597.50	Taken from BLG trust (see accounting)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 330,000.00	\$ 686,597.50	640K less alpha Steel - AUG 18 2017 (SEE BLG PAGE 16)	
ADDITIONAL 2 M LOAN INTEREST RESERVE HOLDBACK		\$ 94,500.00	\$ 781,097.50	Sept 1 2017 (SEE BLG PAGE 17)	
INTEREST LOAN 3M TOTAL PER OUR CALC (AUG TO OCT)	\$ 110,250.00		\$ 670,847.50		
INTEREST LOAN 2M TOTAL PER OUR CALC (AUG TO OCT)	\$ 55,075.50		\$ 615,772.00		
FEES PER OUR CALC 2M	0		\$ 615,772.00		
ADDITIONAL 1.5M LOAN INTEREST RESERVE HOLDBACK		\$ 202,500.00	\$ 818,272.00	NOV 3 2017 (SEE PG 26 BLG TRUST)	
INTEREST LOAN 3M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 441,000.00		\$ 377,272.00		
INTEREST LOAN 2M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 283,590.00		\$ 93,682.00		
INTEREST LOAN 1.5M TOTAL PER OUR CALC (NOV TO OCT 2018)	\$ 93,835.48		\$ 153.48		
			\$ -		
			\$ -		

COMMENTS:

THERE WAS NEVER A POINT WHERE CEANA WAS IN DEFAULT OR NEEDED ADDITIONAL FUNDING.

page 3.

Registration Number	Date	Amount	Location	
171023797	26/01/2017	\$3,000,000.00	Sundridge	y
171183985	18/08/2017	\$2,000,000.00	Sundridge	y
171262890	22/11/2017	\$1,500,000.00	Sundridge	y
181132049	22/06/2018	\$8,500,000.00	Westwinds	y
171262892	22/11/2017	\$1,500,000.00	Conrich	y
171262893	22/11/2017	\$3,000,000.00	Conrich	y
Total Mortgages		\$19,500,000.00		

Bldg
MY HOUSE

FROM CEANA AND RELATED COMPANIES

		LAND-CLOSING		
		Interest to CWB		65,290.10
		Legal Fees - dentons		18,893.92
		Bty Group		5,145.00
		Interest to Land-owner		48,000.00
		Land deposit first		50,000.00
		Land deposit second		250,000.00
		Received from Ceana Dev. Inc	per statement of adjustment	1,150,000.00
		Received from Ceana Dev. Inc	per statement of adjustment	552,000.00
		Received from Borden Ladner		567,670.43
		Street Light - Cash security	City of Calgary	9,500.00
				2,716,499.45

CLOSING OF LAND.

From Ceana Sunridge page 1. Still under Reconciliation.

DATE	BANK	FROM	TO	Amount	CIBC
2017-03-23	ATB	Ceana Sunridge	Fast Track Commercial	\$200,000.00	Bank Draft
2017-03-30	ATB	Ceana Sunridge	Fast Track Commercial	\$100,000.00	Bank Draft
2017-06-19	ATB	Ceana Sunridge	Fast Track Commercial	\$12,000.00	Bank Draft
2017-07-04	ATB	Ceana Sunridge	Fast Track Commercial	\$20,000.00	Bank Draft
2017-06-19	ATB	Ceana Sunridge	Fast Track Commercial	\$18,938.54	Bank Draft
2017-06-27	ATB	Ceana Sunridge	Fast Track Commercial - ???	\$30,000.00	Bank Draft
2017-07-04	ATB	Ceana Sunridge	Fast Track Commercial - ???	\$20,000.00	Bank Draft
2017-08-03	ATB	Ceana Sunridge	Fast Track Commercial	\$100,000.00	Bank Draft
2017-11-09	ATB	Ceana Sunridge	Embe Consulting Engineers	\$11,885.94	Chq #0302
2018-01-05	ATB	Ceana Sunridge	Kerry Cantle	\$3,000.00	Chq #0308
2018-01-29	ATB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0315
2018-01-31	ATB	Ceana Sunridge	Tarah McLean	\$2,080.00	Chq #0316
2016-09-01	CWB	Ceana Sunridge	McIntosh Engineering	\$7,875.00	Chq #0103
2016-09-08	CWB	Ceana Sunridge	McIntosh Engineering	\$7,875.00	Chq #0105
2016-09-09	CWB	Ceana Sunridge	Paul Haul	\$1,002.75	Chq #0109
2016-09-14	CWB	Ceana Sunridge	City of Calgary	\$580.00	Chq #0108
2016-09-14	CWB	Ceana Sunridge	City of Calgary	\$953.00	Chq #0107
2016-09-27	CWB	Ceana Sunridge	City of Calgary - Roads	\$9,500.00	Bank Draft #76049
2016-09-27	CWB	Ceana Sunridge	City of Calgary - Roads trafik light	\$300,000.00	Bank Draft #76049
2016-09-29	CWB	Ceana Sunridge	Acumen	\$4,412.78	Chq #0113
2016-10-04	CWB	Ceana Sunridge	Paramjeet Gill	\$15,000.00	Chq #0114
2016-10-19	CWB	Ceana Sunridge	Yorkfield	\$17,500.00	Chq #0118
			Yorkfield	\$17,500.00	
2016-10-19	CWB	Ceana Sunridge	Seika Architecture	\$18,500.00	Chq #0119
2016-10-26	CWB	Ceana Sunridge	MWC Consulting	\$7,350.00	Chq #0122
2016-11-01	CWB	Ceana Sunridge	MWC Consulting	\$9,408.00	Chq #0128
2016-11-01	CWB	Ceana Sunridge	Seika Architecture	\$10,000.00	Chq #0123
2016-11-04	CWB	Ceana Sunridge	Jubilee Engineering	\$10,613.23	Chq #0125
			Jubilee Engineering	\$2,940.00	
2016-11-14	CWB	Ceana Sunridge	Hillsboro Enterprises	\$18,900.00	Chq #0129
2016-11-18	CWB	Ceana Sunridge	Embe Consulting Engineers	\$10,000.00	Chq #0124
2016-11-22	CWB	Ceana Sunridge	Sejal Purohit - Investment refund	\$35,000.00	Chq #0130
			Multicorp Environmental	\$3,864.00	
2017-01-10	CWB	Ceana Sunridge	Primary Engineering & Struct.	\$120,645.00	Chq #0136
2017-01-20	CWB	Ceana Sunridge	PS Technical Designs Inc	\$3,780.00	Chq #0135
2017-02-27	CWB	Ceana Sunridge	MWC Consulting	\$3,864.00	Chq #0139

From Ceana Neo Sunridge Page 2:

2017-03-06	CWB	Ceana Sunridge	Seika Architecture	\$15,500.00	Chq #0143
2017-03-22	CWB	Ceana Sunridge	818 Studio Ltd	\$2,159.75	Chq #0141
2017-04-13	CWB	Ceana Sunridge	Paramjeet Gill	\$10,500.00	Chq #0144
2017-04-18	CWB	Ceana Sunridge	Embe Consulting Engineers	\$10,500.00	Chq #0145
2017-06-14	CWB	Ceana Sunridge	Fast Track Commercial	\$14,596.00	Certified Chq #0147
2017-08-09	CWB	Ceana Sunridge	City of Calgary - Traffic Light	\$202,000.00	Bank Draft
			City of Calgary - Property Tax Adj	\$11,423.95	From account
			KH Dunkley	\$19,549.17	From account
2018-02-05	CWB	Ceana Sunridge	Rick Balbi Architect Ltd	\$22,534.50	Chq #0148
2018-02-21	CWB	Ceana Sunridge	Miller Thompson	\$10,000.00	Chq #0149
2018-02-26	CWB	Ceana Sunridge	Verjee & Associates	\$5,000.00	Chq #0151
2018-03-02	CWB	Ceana Sunridge	Kason Excavation	\$2,136.75	Chq #0153
2018-03-02	CWB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0154
2018-04-10	CWB	Ceana Sunridge	Rick Balbi Architect Ltd	\$9,655.58	Chq #0159
2018-04-24	CWB	Ceana Sunridge	Miller Thompson	\$10,000.00	Chq #0160
2018-05-03	CWB	Ceana Sunridge	ED Skapin	\$324.79	Chq #0161
2018-05-16	CWB	Ceana Sunridge	Kerry Cantle	\$5,416.67	Chq #0162
2018-05-15	CWB	Ceana Sunridge	Kason Excavation	\$2,200.00	Chq #0166
2018-05-16	CWB	Ceana Sunridge	JC Lawn & Landscapes	\$3,454.50	Chq #0167
2018-06-19	CWB	Ceana Sunridge	Kerry Cantle	\$3,500.00	Chq #0169
2018-07-03	CWB	Ceana Sunridge	Canam Building & Structures	\$58,426.15	Bank Draft
2018-07-04	CWB	Ceana Sunridge	City of Calgary	\$817.00	Chq #0170
2018-07-19	CWB	Ceana Sunridge	Canam Building & Structures	\$31,924.79	Bank Draft
2018-08-17	CWB	Ceana Sunridge	Kerry Cantle	\$5,000.00	Chq #0179
2018-09-05	CWB	Ceana Sunridge	Miller Thompson	\$17,208.32	Chq #0185
2018-09-05	CWB	Ceana Sunridge	Kerry Cantle	\$5,000.00	Chq #0186
2019-01-17	CWB	Ceana Sunridge	Kerry Cantle	\$2,000.00	Chq #0203
				\$1,646,628.50	

From Ceana Dev Inc Pg 1-

FAST TRACK COMMERCIAL PAYMENTS from CEANA DEVELOPMENT INC					
DATE	BANK	FROM	TO	Amount	CIBC
2017-03-24	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$225,000.00	Draft
2017-01-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$200,000.00	Draft
2017-03-24	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$100,000.00	Chq #381
2017-03-31	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$237,410.00	Draft
2017-04-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$18,000.00	Draft
2017-04-28	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$75,000.00	Draft
2017-06-16	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$63,000.00	Draft
2017-03-03	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$23,000.00	Chq #00373
2017-04-04	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$35,000.00	Draft
2017-05-02	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$5,000.00	Draft
2017-05-08	CIBC	Ceana Dev. Inc	Kason Excavation	\$1,533.00	Chq #00390
2017-06-06	CIBC	Ceana Dev. Inc	Markmanship	\$2,246.57	Chq #00401
2017-06-14	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$11,990.00	Chq #00404
2017-10-02	CIBC	Ceana Dev. Inc	MMP Engineering	\$20,000.00	Chq #00462
2017-11-01	CIBC	Ceana Dev. Inc	MMP Structural	\$15,962.50	Chq #00463
2017-11-17	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$93,517.00	Draft
2017-12-21	CIBC	Ceana Dev. Inc	Dragon Excavation	\$5,218.50	Chq #00504
2018-02-20	CIBC	Ceana Dev. Inc	Rick Bryce	\$1,906.78	Chq #00526
2018-03-08	CIBC	Ceana Dev. Inc	Rick Bryce	\$1,489.60	Chq #00533
2018-03-21	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,416.67	Chq #00537
2018-03-29	CIBC	Ceana Dev. Inc	Kerry Cantle	\$2,000.00	Chq #00541
2018-04-06	CIBC	Ceana Dev. Inc	Fast Track Commercial	\$35,000.00	Draft
2018-04-13	CIBC	Ceana Dev. Inc	Kerry Cantle	\$2,000.00	Chq #00546
2018-04-20	CIBC	Ceana Dev. Inc	Kason Excavation	\$2,136.75	Chq #00552
2018-04-23	CIBC	Ceana Dev. Inc	CMIC Law	\$2,220.00	Chq #00554
2018-04-26	CIBC	Ceana Dev. Inc	Kason Excavation	\$1,748.25	Chq #00553
2018-05-01	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,000.00	Chq #00557
2018-06-04	CIBC	Ceana Dev. Inc	Kerry Cantle	\$4,500.00	Chq #00566
2018-10-31	CIBC	Ceana Dev. Inc	Kerry Cantle	\$5,000.00	Chq #00592
2018-02-27	CIBC	Ceana Dev. Inc	ACTIVATE FIRE SAFETY INC.	\$2,322.00	Chq #001
2018-01-24	CIBC	Ceana Dev. Inc	NAIR BAILEY	\$400.00	Chq #00517
2018-02-02	CIBC	Ceana Dev. Inc	RICK BRYCE	\$1,906.78	Chq #00524
2018-02-16	CIBC	Ceana Dev. Inc	RICK BRYCE	\$1,906.78	Chq #00526
2018-02-12	CIBC	Ceana Dev. Inc	PLATINUM HERITAGE CONSTRUCTION CORP	\$5,250.00	Chq #00529
				\$1,212,081.18	

CREDIT CARD PAYMENTS BY CEANA DEV INC					
DATE	BANK	FROM	TO	Amount	ATB
2015-07-28	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-08-07	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$1,201.20	Visa - 9820
2015-08-07	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$2,423.10	Visa - 9820
2015-08-13	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-12-04	CIBC	Ceana Dev Inc - Visa # 9820	Low Glenn & Card	\$1,174.95	Visa - 9820
2016-02-03	CIBC	Ceana Dev Inc - Visa # 9820	Saskatchewan Mutual Insurance	\$1,295.00	Visa - 9820
2016-02-16	CIBC	Ceana Dev Inc - Visa # 9820	Vista Geomatics	\$2,100.00	Visa - 9820
			Vista Geomatics	\$2,782.00	
2016-02-24	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$4,095.00	Visa - 9820
2015-06-29	CIBC	ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$4,095.00	Visa - 9820
2016-03-15	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-11-17	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-09-11	CIBC	Ceana Dev Inc - Visa # 9820	RED FM - JV money-raising advertising	\$2,047.50	Visa - 9820
2015-12-15	CIBC	Ceana Dev Inc - Visa # 9820	Minuteman Press	\$1,284.68	Visa - 1006
2016-09-30	CIBC				
2016-10-06	CIBC	Ceana Dev Inc - Visa # 9820	City of Calgary - Inspection & Permit	\$66,693.04	Visa - 9820
			City of Calgary - DP	\$3,388.84	
2015-09-29	RBC	Ceana Dev Inc - Visa # 9820	Airways Printing	\$656.25	Visa - 1721
2017-09-20	CIBC	Ceana Dev Inc - Visa # 9820	FOSTER PARK BROKERS EDMONTON, AB	\$5,040.00	Visa - 9820
2018-01-22	CIBC	Ceana Dev Inc - Visa # 9820	MAHI PRINTING & SIGNAGE LTD	\$908.25	Visa - 9820
2018-02-12	CIBC	Ceana Dev Inc - Visa # 9820	MAHI PRINTING & SIGNAGE LTD	\$84.00	Visa - 9820
					STILL AUDITING VIA +
			TOTAL CREDIT CARDS	\$107,458.81	

FROM CEANA DEV. INC VISA '9820" P92

Tr Date	Posting Date	Paid from	Payee	Debit
Mar 29	Apr 01	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	286.33
Jan 11	Jan 14	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	119.54
Feb 01	Feb 08	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	5,000.00
Feb 26	Feb 28	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	182.54
Apr 02	Apr 04	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	15.75
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET CO QUITLAM BC	135.29
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	183.59
Nov 15	Nov 19	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET COQUITLAM BC	135.29
Nov 19	Nov 20	Ceana Sunridge - Visa # 9820	G 0 OGLE *Google Storage 855-836-3987 NS	2.59
Nov 20	Nov 22	Ceana Sunridge - Visa # 9820	PIT STOP PORTABLE TOILET CO QUITLAM BC	15.75
Dec 04	Dec 07	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	6,000.00
Dec 13	Dec 17	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	2,500.00
Dec 17	Dec 20	Ceana Sunridge - Visa # 9820	LOW GLENN & CARD CALGARY AB	9,000.00

23,576.67

Learn Dev- P93-

JCB ENGINEERING	TIA	\$8,679.51	
818 STUDIO		\$4,252.50	
818 STUDIO		\$3,465.00	
818 STUDIO		\$393.75	
YORKFIELD		\$6,300.00	
HILLSBORO FEES			
HILLSBORO FEES			FROM ACCOUNT
CRIS SKOWRON	REAL ESTATE FEES SALE BLDG D	\$10,000.00	
BTY	QS	\$5,145.00	
		\$38,235.76	

From Dunkel LAW/Hillboro

FAST TRACK COMMERCIAL PAYMENTS

DATE	BANK	FROM	TO	Amount	ATB
13-Jan-17	LAWYER	KHALIL HAJI PROFESSIONAL CORP	Fast Track Commercial	500,000.00	
11-Jul-17	CIBC - HILLSBORO	Hillsboro Ventures Inc	Alpha Steel Builders Inc.	310,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Alpha Steel Builders Inc.	150,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Kasōn Excavating	100,000.00	
03-Aug-17	RBC	BLG - Borden Ladner Gervais LLP	Fast Track Commercial	300,000.00	
18-Oct-17	LAWYER	KHALIL HAJI PROFESSIONAL CORP	Factors Western	310,125.91	
		Hillsboro Ventures Inc	Trust Chq from KH Dunkley	424,204.40	
			TOTAL	2,094,330.31	

Ceana Development Sunridge Inc. (in receivership)
Analysis of Hillsboro Secured Claim Quantum as at June 5, 2019

DRAFT AND CONFIDENTIAL
FOR DISCUSSION PURPOSES ONLY

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at June 5, 2019

Ceana Development Sunridge Inc. (in Receivership)
CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
BLG Trust Account Advances						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
Total Advances	\$ 3,000,000	\$ 2,000,000	\$ 1,500,000	\$ 6,500,000		
BLG Trust Account Disbursements						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	(58,946)	(77,715)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)		1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)		5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
Total Disbursements	A \$ (3,000,000)	\$ (2,000,000)	\$ (1,500,000)	\$ (6,500,000)		
Accrued Interest and Fees						
Estimated Compound Interest - Loan Advance Date to June 5, 2020	(1,428,854)	(729,783)	(626,685)	(2,785,322)		3, 4, 5, 6, 7, 8, 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500		3, 4, 5, 6, 7, 8
Forbearance & Legal Fees	(67,500)	(141,225)	(84,000)	(292,725)		9
Monitoring Fees	(229,950)	(52,500)	(55,125)	(337,575)		5, 7, 9
Total Accrued Interest and Fees	B \$ (1,176,304)	\$ (653,508)	\$ (563,310)	\$ (2,393,122)		
Dentons Trust Funds deducted from Total Loan Accrual	-	-	664,626	664,626		12
Estimated Amount Outstanding as at June 5, 2019	C (A+B+C) \$ (4,176,304)	\$ (2,653,508)	\$ (1,398,684)	\$ (8,228,496)		

Notes

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.

Source Documents Referenced for Analysis

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel ("Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

Note:

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

useless - does not address the issue.

yes.

Read our comments

Exhibit 2: \$3.0M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld for Lender for interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para 5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Total Funds Advanced	\$ 3,000,000.00		
Disbursed and Withheld by BLG			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(10,788.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group in Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	\$ (3,000,000.00)		
Compound Interest - Jan 12, 2017 Advance Date to June 5, 2019	(1,428,853.93)	2,3,4	A&M Estimate, \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page: Para.3/4/5).
Add back amount withheld by Lender for interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 1-3).
Forbearance and Legal Fees	(67,500.00)	5	Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to June 5, 2019)	(229,950.00)		Forbearance Agreement - Article 3.3(m).
	\$ (1,176,303.93)		
Total Estimated Amount Outstanding Under Loan #1 As of June 5, 2019	\$ (4,176,303.93)		

Notes

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017. (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and legal fees of \$67,500, per Forbearance Agreement

Exhibit 3: \$3M Facility (Loan # 1) Interest Schedule

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ -	(550,000.00)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	\$ (520,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	\$ (475,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	\$ (430,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	\$ (385,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	\$ (340,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	\$ (295,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	\$ (250,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	\$ (205,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	\$ (160,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	\$ (115,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 479,032.26	\$ (70,967.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 524,032.26	\$ (16,517.74)
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 569,032.26	\$ 37,932.26
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 614,601.24	\$ 92,951.24
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 660,995.51	\$ 148,795.51
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 708,227.44	\$ 205,477.44
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 756,309.60	\$ 263,009.60
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ -	\$ 3,434,875.82	\$ 805,354.75	\$ 321,404.75
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ -	\$ 3,517,548.96	\$ 855,075.82	\$ 434,875.82
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 906,598.96	\$ 517,548.96
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 959,362.19	\$ 583,962.19
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,013,121.62	\$ 651,371.62
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,067,892.20	\$ 719,792.20
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,123,689.08	\$ 789,239.08
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,180,527.67	\$ 859,727.67
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,238,423.58	\$ 931,273.58
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,297,392.69	\$ 1,003,892.69
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,357,451.08	\$ 1,077,601.08
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 10,238.83	\$ -	\$ 13,650	\$ 4,176,303.93	\$ 1,418,615.09	\$ 1,152,415.09
						1,428,853.93	1,176,303.93

Exhibit 4: \$2.0M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc. - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillsboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Funds Received	2,000,000.00		
Disbursed and Withheld by BLG			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit D).
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G).
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); Ferrel affidavit of default (Page 87).
Construction Disbursements	(643,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,915.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	\$ (2,000,000.00)		
Compound Interest - July 5, 2017 Accrual Date to June 5, 2019	(729,783.23)	1,2,3,4	A&M Estimation, \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to June 5, 2019)	(141,225.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to June 5 2019)	(52,500.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	\$ (653,508.23)		
Total Estimated Amount Outstanding Under Loan #2 As of June 5, 2019	\$ (2,653,508.23)		

Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5: \$2M Facility Interest Schedule							Interest Accrued			Interest and Fees	
Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued					
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ -					(270,000.00)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ -	\$ 1,300,000.00	\$ 16,983.87					(248,816.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 36,483.87					(227,216.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 66,483.87					(195,116.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 96,483.87					(163,016.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 126,483.87					(130,916.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 156,483.87					(98,816.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 186,483.87					(66,716.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 216,483.87					(34,616.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ -	\$ 2,100	\$ 246,483.87					(2,516.13)
June 1 2018	18%	\$ 30,443.76	\$ -	\$ -	\$ 2,029,583.87	\$ 276,483.87					29,583.87
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ -	\$ 2,062,127.63	\$ 306,927.63					62,127.63
August 1 2018	18%	\$ 31,915.64	\$ -	\$ -	\$ 2,100	\$ 337,859.54					127,709.54
September 1 2018	18%	\$ 32,425.88	\$ -	\$ -	\$ 2,100	\$ 369,775.19					161,725.19
October 1 2018	18%	\$ 32,943.77	\$ -	\$ -	\$ 2,100	\$ 402,201.06					196,251.06
November 1 2018	18%	\$ 33,459.42	\$ -	\$ -	\$ 2,100	\$ 435,144.83					231,294.83
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ -	\$ 2,266,864.25	\$ 468,614.25					266,864.25
January 1 2019	18%	\$ 35,072.13	\$ -	\$ -	\$ 2,100	\$ 502,617.22					338,142.22
February 1 2019	18%	\$ 35,629.72	\$ -	\$ -	\$ 2,375,314.35	\$ 537,689.35					375,314.35
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ -	\$ 2,413,044.07	\$ 573,319.07					413,044.07
April 1 2019	18%	\$ 37,321.95	\$ -	\$ -	\$ 2,488,089.73	\$ 609,514.73					488,089.73
May 1 2019	18%	\$ 37,912.67	\$ -	\$ -	\$ 2,527,511.07	\$ 646,836.07					527,511.07
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ -	\$ 2,567,523.74	\$ 684,748.74					567,523.74
July 1 2019 (For June 1 - June 5 Period)	18%	\$ 6,521.64	\$ -	\$ -	\$ 2,644,886.59	\$ 723,761.59					644,886.59
					\$ 2,653,508.23	\$ 729,783.23					653,508.23

Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Page 3 Para.10, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillisboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	\$ (1,500,000.00)		
Compound Interest - November 7, 2017 Advance Date to June 5, 2019	(626,684.66)	1,2,3	A&M Estimation, \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by lender for interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Forbearance Fees (Up to June 5 2019)	(84,000.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to June 5 2019)	(55,125.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	\$ (563,309.66)		
Total Amount Outstanding Under Loan #3 As of June 5, 2019	\$ (2,063,309.66)		

Notes

- 1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017
- 2 - Interest assumed to be 30% compounded monthly from October 9 2018 to June 5, 2019
- 3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.
- 4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

Exhibit 2: \$15M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ 2,625	\$ 1,500,000.00	\$ -	(202,500.00)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 15,967.74	(183,907.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 38,467.74	(158,782.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 60,967.74	(133,657.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 83,467.74	(108,532.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 105,967.74	(83,407.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 128,467.74	(58,282.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,500,000.00	\$ 150,967.74	(33,157.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 173,467.74	(8,032.26)
August 1 2018	18%	\$ 22,756.99	\$ -	\$ 2,625	\$ 1,517,092.74	\$ 195,967.74	17,092.74
September 1 2018	18%	\$ 23,137.11	\$ -	\$ 2,625	\$ 1,542,474.13	\$ 218,724.13	42,474.13
October 1 2018	18%	\$ 23,523.54	\$ 25,200	\$ 2,625	\$ 1,619,584.79	\$ 241,861.25	68,236.25
November 1 2018 (30% Interest starting on October 9 2018)	18%/30%	\$ 36,310.05	\$ -	\$ 2,625	\$ 1,658,519.83	\$ 265,384.79	119,584.79
December 1 2018	30%	\$ 41,463.00	\$ -	\$ 2,625	\$ 1,702,607.83	\$ 301,694.83	158,519.83
January 1 2019	30%	\$ 42,565.20	\$ -	\$ 2,625	\$ 1,747,798.03	\$ 343,157.83	202,607.83
February 1 2019	30%	\$ 43,694.95	\$ -	\$ 2,625	\$ 1,794,117.98	\$ 385,723.03	247,798.03
March 1 2019	30%	\$ 44,852.95	\$ 28,350	\$ 2,625	\$ 1,869,945.93	\$ 429,417.98	294,117.98
April 1 2019	30%	\$ 46,748.65	\$ -	\$ 2,625	\$ 1,919,319.57	\$ 474,270.93	369,945.93
May 1 2019	30%	\$ 47,982.99	\$ -	\$ 2,625	\$ 1,969,927.56	\$ 521,019.57	419,319.57
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ 2,625	\$ 2,052,250.75	\$ 569,002.56	469,927.56
July 1 2019 (For June 1 - June 5 Period)	30%	\$ 8,433.91	\$ -	\$ 2,625	\$ 2,063,309.66	\$ 618,250.75	552,250.75
						\$ 626,684.66	563,309.66

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim	735,724
Legal Fees Paid to Dentons	(51,337)
Fees Paid to Altus Group	(6,930)
Fees Paid to BLG	(12,831)
Closing Funds	\$ 664,626

**Ceana Development Sunridge Inc. (in receivership)
Analysis of Hillsboro Secured Claim Quantum as at October 31, 2020**

**DRAFT AND CONFIDENTIAL
FOR DISCUSSION PURPOSES ONLY**

Exhibit 1: Summary of Hillsboro Ventures Secured Claim as at October 31, 2020

Ceana Development Sunridge Inc. (in Receivership)
CAD \$'s (unaudited)

	\$3M Facility	\$2M Facility	\$1.5M Facility	Total	Notes	Source Documents
BLG Trust Account Advances						
Transfer from Hillsboro	1,800,000	1,300,000	1,500,000	4,600,000		1; 3; 4; 5; 6; 7; 8
Withheld by Lender re: 2nd Mortgage Funded	650,000	-	-	650,000		1; 3
Withheld by Lender for Interest on amendment and new mortgage	550,000	-	-	550,000		1; 3
Transfer from Neotric Enterprises	-	2,441,524	-	2,441,524		1
Principal Amount of Loan	-	260,000	-	260,000		1
Paid to Neotric Enterprises for Excess Funds in Trust Account	-	(501,524)	-	(501,524)		1
Transfer of Funds to Matter 05 - Third Loan to Ceana	-	(1,500,000)	-	(1,500,000)		1; 7; 8
Total Advances	\$ 3,000,000	\$ 2,000,000	\$ 1,500,000	\$ 6,500,000		
BLG Trust Account Disbursements						
Withheld by Lender re: 2nd Mortgage Funded	(650,000)	-	-	(650,000)		1; 3
Withheld by Lender - Prepaid Interest	(550,000)	(270,000)	(202,500)	(1,022,500)		1; 3; 5; 6; 7; 8
Withheld for Legal Fees and Disbursements	(8,450)	-	-	(8,450)		1
Paid KH Dunkley Law Group in Trust	(1,231,350)	(613,916)	-	(1,845,266)		1
Paid BLG Legal Fees and Disbursements	(10,769)	(8,000)	-	(18,769)		1
Paid KH Dunkley - Net Mortgage Proceeds	(489,031)	-	(424,204)	(913,236)		1
Paid Construction Expenses	-	(953,584)	-	(953,584)		1
Withheld for Payment of Broker Fees	(60,000)	-	-	(60,000)		1; 3
Withheld for Final Disbursements	(400)	-	-	(400)		1
Lender Fees (Hillsboro, Neotric and Liberty)	-	(154,500)	(78,625)	(233,125)		5; 7
Transfer of Funds to Dentons - Post Filing of Counterclaim	-	-	(735,724)	(735,724)		
Total Disbursements	\$ (3,000,000)	\$ (2,000,000)	\$ (1,500,000)	\$ (6,500,000)		
Accrued Interest and Fees						
Estimated Compound Interest - Loan Advance Date to October 31, 2020	(2,644,644)	(1,513,322)	(1,617,685)	(5,775,651)	3	3; 4; 5; 6; 7; 8; 9
Amount withheld by Lender for Interest on amendment and new mortgage	550,000	270,000	202,500	1,022,500	4	3; 4; 5; 6; 7; 8
Forbearance & Legal Fees	(67,500)	(324,975)	(236,250)	(628,725)		9
Monitoring Fees	(434,700)	(84,000)	(94,500)	(613,200)		5; 7; 9
Total Accrued Interest and Fees	\$ (2,596,844)	\$ (1,652,297)	\$ (1,745,935)	\$ (5,995,076)		
Repayment of Dentons Trust Funds to Hillsboro	-	-	611,986	611,986		12
Estimated Amount Outstanding as at October 31, 2020	\$ (5,596,844)	\$ (3,652,297)	\$ (2,633,950)	\$ (11,883,090)		

Notes

- 1 - 2% of \$3M principle advanced based on agreement that Mr. Gaidhar had with Yorkfield.
- 2 - Lender fees paid to Hillsboro, Neotric and Liberty.
- 3 - A&M estimate of outstanding compound interest based on loan agreements. See below exhibits with respect to individual loan schedules.
- 4 - A&M has reduced the estimated compound interest by the prepaid interest withheld by lender from the initial advances.
- 5 - Trust funds paid to Hillsboro on April 9, 2020.

Source Documents Referenced for Analysis

- 1) Affidavit of Travis McArthur. Not yet filed in Court.
- 2) Affidavit of Patrick Mah. Not yet filed in Court.
- 3) \$3.0M Facility Loan Commitment Letter. Signed January 4 2017.
- 4) \$3.0M Facility Mortgage Agreement. Signed January 6 2017.
- 5) \$2.0M Facility Loan Commitment Letter. Signed July 6 2017.
- 6) \$2.0M Facility Mortgage Agreement. Signed July 28 2017.
- 7) \$1.5M Facility Loan Commitment Letter. Signed October 10 2017.
- 8) \$1.5M Facility Mortgage Agreement. Signed November 1 2017.
- 9) Forbearance Agreement. Signed and Effective May 16 2018.
- 10) First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"). Filed in Court on September 5 2018.
- 11) Second Affidavit of Keith Ferrel ("Ferrel Affidavit No. 2"). Filed in Court on June 24 2019.
- 12) Denton's Trust Account Statement

Note:

- Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N of Affidavit of Travis McArthur are included in the First Affidavit of Keith Ferrel ("Ferrel Affidavit of Default"), filed in Court on September 5 2018.

Exhibit 2: \$3M Facility (Loan #1) - Summary of Mortgage Advances and Accrued Interest

	Loan #1	Notes	Source Document(s)
Transfer from Hillsboro	1,800,000.00	1	McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender re: 2nd Mortgage Funded	650,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Page 3 Para.5/6, Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3); \$3.0M Facility Mortgage Agreement (Page 1).
Total Funds Advanced	\$ 3,000,000.00		
Disbursed and Withheld by BLG			
Withheld by Lender re: 2nd Mortgage Funded	(650,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Page 3).
Withheld by Lender for Interest on amendment and new mortgage	(550,000.00)		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Withheld for legal fees and disbursements	(8,450.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid KH Dunkley Law Group - In Trust	(1,231,350.00)		McArthur affidavit (Exhibit A, Exhibit B).
Paid BLG Legal Fees and Disbursements	(107,768.74)		McArthur affidavit (Exhibit C, Exhibit D).
Paid KH Dunkley Law Group In Trust - Net Mortgage Proceeds	(489,031.26)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for payment of broker fees (Yorkfield Financial Corporation, Liberty Mortgage Services)	(60,000.00)		McArthur affidavit (Exhibit A, Exhibit B).
Withheld for final disbursements	(200.00)		McArthur affidavit (Exhibit C, Exhibit D, Exhibit E).
	\$ (3,000,000.00)		
Compound Interest - Jan 12, 2017 Advance Date to October 31, 2020	(2,644,843.56)	2,3,4	A&M Estimate, \$3.0M Facility Loan Commitment Letter (Pages 1-5); \$3.0M Facility Mortgage Agreement Pages 1-4; Ferra affidavit of default (Page 2 Para.3/4/5).
Add back amount withheld by Lender for Interest on amendment and new mortgage	550,000.00		McArthur affidavit (Exhibit A); \$3.0M Facility Loan Commitment Letter (Pages 1-3).
Forbearance and Legal Fees	(67,500.00)	5	Forbearance Agreement - Article 3.2(a).
Monitoring Fees Paid to Neotric (up to October 31, 2020)	(434,700.00)		Forbearance Agreement - Article 3.3(m).
	\$ (2,596,843.56)		
Total Estimated Amount Outstanding Under Loan #1 As of October 31 2020	\$ (5,596,843.56)		

Notes

- 1- Advance date of the loan proceeds for the \$3.0M facility is assumed to be January 12, 2017 (As per McArthur affidavit Exhibit A).
- 2 - Interest assumed to be 18% compounded monthly, with the first period of interest due on February 1, 2017 (\$3.0M Facility Mortgage Agreement Page 1)
- 3 - Interest begins computing on the advance date (\$3.0M Facility Mortgage Agreement Page 1)
- 4 - Interest is calculated on the first of each month for the previous period. The first period (February 1, 2017) calculates a pro-rated portion of the previous month, from January 12 2017 - January 31 2017.
- 5 - Forbearance and Legal fees of \$67,500, per Forbearance Agreement.

Exhibit 3: \$3M Facility (Loan # 1) - Interest Schedule

Interest-Accrual Date	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
February 1 2017 (For Jan 12 - Jan 31 Period)	18%	\$ 29,032.26	\$ -	\$ -	\$ 3,000,000.00	\$ -	\$ (550,000.00)
March 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 29,032.26	\$ (520,967.74)
April 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 74,032.26	\$ (475,967.74)
May 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 119,032.26	\$ (430,967.74)
June 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 164,032.26	\$ (385,967.74)
July 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 209,032.26	\$ (340,967.74)
August 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 254,032.26	\$ (295,967.74)
September 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 299,032.26	\$ (250,967.74)
October 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 344,032.26	\$ (205,967.74)
November 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 389,032.26	\$ (160,967.74)
December 1 2017	18%	\$ 45,000.00	\$ -	\$ -	\$ 3,000,000.00	\$ 434,032.26	\$ (115,967.74)
January 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,000,000.00	\$ 524,032.26	\$ (16,517.74)
February 1 2018	18%	\$ 45,000.00	\$ -	\$ 9,450	\$ 3,037,932.26	\$ 569,032.26	\$ 37,932.26
March 1 2018	18%	\$ 45,568.98	\$ -	\$ 9,450	\$ 3,092,951.24	\$ 614,601.24	\$ 92,951.24
April 1 2018	18%	\$ 46,394.27	\$ -	\$ 9,450	\$ 3,148,795.51	\$ 660,995.51	\$ 148,795.51
May 1 2018	18%	\$ 47,231.93	\$ -	\$ 9,450	\$ 3,205,477.44	\$ 708,227.44	\$ 205,477.44
June 1 2018	18%	\$ 48,082.16	\$ -	\$ 9,450	\$ 3,263,009.60	\$ 756,309.60	\$ 265,009.60
July 1 2018	18%	\$ 48,945.14	\$ -	\$ 9,450	\$ 3,321,404.75	\$ 805,254.75	\$ 321,404.75
August 1 2018	18%	\$ 49,821.07	\$ 50,000	\$ 13,650	\$ 3,434,875.82	\$ 855,075.82	\$ 434,875.82
September 1 2018	18%	\$ 51,523.14	\$ 17,500	\$ 13,650	\$ 3,517,548.96	\$ 906,598.96	\$ 517,548.96
October 1 2018	18%	\$ 52,763.23	\$ -	\$ 13,650	\$ 3,583,962.19	\$ 959,362.19	\$ 585,962.19
November 1 2018	18%	\$ 53,759.43	\$ -	\$ 13,650	\$ 3,651,371.62	\$ 1,013,121.62	\$ 651,371.62
December 1 2018	18%	\$ 54,770.57	\$ -	\$ 13,650	\$ 3,719,792.20	\$ 1,067,892.20	\$ 719,792.20
January 1 2019	18%	\$ 55,796.88	\$ -	\$ 13,650	\$ 3,789,239.08	\$ 1,123,689.08	\$ 789,239.08
February 1 2019	18%	\$ 56,838.59	\$ -	\$ 13,650	\$ 3,859,727.67	\$ 1,180,577.67	\$ 859,727.67
March 1 2019	18%	\$ 57,895.92	\$ -	\$ 13,650	\$ 3,931,273.58	\$ 1,238,423.58	\$ 931,273.58
April 1 2019	18%	\$ 58,969.10	\$ -	\$ 13,650	\$ 4,003,892.69	\$ 1,297,392.69	\$ 1,003,892.69
May 1 2019	18%	\$ 60,058.39	\$ -	\$ 13,650	\$ 4,077,601.08	\$ 1,357,451.08	\$ 1,077,601.08
June 1 2019	18%	\$ 61,164.02	\$ -	\$ 13,650	\$ 4,152,415.09	\$ 1,418,615.09	\$ 1,152,415.09
July 1 2019	18%	\$ 62,286.23	\$ -	\$ 13,650	\$ 4,228,351.32	\$ 1,480,901.32	\$ 1,228,351.32
August 1 2019	18%	\$ 63,425.27	\$ -	\$ 13,650	\$ 4,305,426.59	\$ 1,544,376.59	\$ 1,305,426.59
September 1 2019	18%	\$ 64,581.40	\$ -	\$ 13,650	\$ 4,383,657.99	\$ 1,608,907.99	\$ 1,385,657.99
October 1 2019	18%	\$ 65,754.87	\$ -	\$ 13,650	\$ 4,463,062.86	\$ 1,674,662.86	\$ 1,463,062.86
November 1 2019	18%	\$ 66,945.94	\$ -	\$ 13,650	\$ 4,543,658.80	\$ 1,741,608.80	\$ 1,543,658.80
December 1 2019	18%	\$ 68,154.88	\$ -	\$ 13,650	\$ 4,625,463.68	\$ 1,809,763.68	\$ 1,625,463.68
January 1 2020	18%	\$ 69,381.96	\$ -	\$ 13,650	\$ 4,708,495.64	\$ 1,879,145.64	\$ 1,708,495.64
February 1 2020	18%	\$ 70,627.43	\$ -	\$ 13,650	\$ 4,792,773.07	\$ 1,949,773.07	\$ 1,792,773.07
March 1 2020	18%	\$ 71,891.60	\$ -	\$ 13,650	\$ 4,878,314.67	\$ 2,021,664.67	\$ 1,878,314.67
April 1 2020	18%	\$ 73,174.72	\$ -	\$ 13,650	\$ 4,965,139.39	\$ 2,094,839.39	\$ 1,965,139.39
May 1 2020	18%	\$ 74,477.09	\$ -	\$ 13,650	\$ 5,053,266.48	\$ 2,169,316.48	\$ 2,053,266.48
June 1 2020	18%	\$ 75,799.00	\$ -	\$ 13,650	\$ 5,142,715.48	\$ 2,245,115.48	\$ 2,142,715.48
July 1 2020	18%	\$ 77,140.73	\$ -	\$ 13,650	\$ 5,233,506.21	\$ 2,322,256.21	\$ 2,233,506.21
August 1 2020	18%	\$ 78,502.59	\$ -	\$ 13,650	\$ 5,325,658.80	\$ 2,400,758.80	\$ 2,325,658.80
September 1 2020	18%	\$ 79,884.88	\$ -	\$ 13,650	\$ 5,419,193.68	\$ 2,480,643.68	\$ 2,419,193.68
October 1 2020	18%	\$ 81,287.91	\$ -	\$ 13,650	\$ 5,514,131.59	\$ 2,561,931.59	\$ 2,514,131.59
November 1 2020	18%	\$ 82,711.97	\$ -	\$ -	\$ 5,596,843.56	\$ 2,644,643.56	\$ 2,596,843.56

Exhibit 4: \$2M Facility (Loan #2) - Summary of Mortgage Advances and Accrued Interest

	Loan #2	Notes	Source Document(s)
Cheque Received from Hillisboro Ventures Inc. - Mortgage Proceeds July 12, 2017	1,300,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 3 Para.11, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Transfer from Neotric Enterprises Inc. - August 29, 2017	2,441,524.16		McArthur affidavit (Page 3 Para.12, Page 3 Para.13, Exhibit F, Exhibit G, Exhibit O).
Cheque Received from Hillisboro Ventures Inc. - Mortgage Proceeds September 8, 2017	260,000.00		McArthur affidavit (Page 2 Para.7, Page 2 Para.8, Page 4 Para.15, Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Page 1-3); \$2.0M Facility Mortgage Agreement (Page 1).
Paid to Neotric Enterprises for Excess Funds in Trust Account	(501,524.16)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Transfer of funds to matter 05 - Third Loan to Ceana	(1,500,000.00)		McArthur affidavit (Page 4 Para.16, Exhibit F, Exhibit G).
Funds Received	2,000,000.00		
Disbursed and Withheld by BLG			
Construction Disbursement - Payment to Alpha Steel Builders Inc.	(310,000.00)		Ferrel affidavit of default (Page 85); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(330,000.00)		Ferrel affidavit of default (Page 86); McArthur affidavit (Exhibit G)
Prepaid Interest, Fees, Etc.	(94,500.00)		McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Page 1-3); Ferrel affidavit of default (Page 87)
Construction Disbursements	(649,584.17)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H).
Paid KH Dunkley in Trust for Project Development	(613,515.83)		McArthur affidavit (Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K).
Paid BLG Legal Fees and Disbursements	(8,000.00)		McArthur affidavit (Exhibit F, Exhibit G).
	\$ (2,000,000.00)		
Compound Interest - July 5, 2017 Accrual Date to October 31, 2020	(1,513,321.76)	1,2,3,4	A&M Estimation, \$2.0M Facility Loan Commitment Letter (Pages 1-3); \$2.0M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	270,000.00	5	McArthur affidavit (Exhibit F, Exhibit G); \$2.0M Facility Loan Commitment Letter (Pages 1-4).
Forbearance Fees (Up to October 31 2020)	(324,975.00)	6,7	Forbearance Agreement - Article 3.2(b).
Monitoring Fees (Up to October 31 2020)	(84,000.00)	7	\$2.0M Facility Loan Commitment Letter (Page 4).
	\$ (1,652,296.76)		
Total Estimated Amount Outstanding Under Loan #2 As of October 31, 2020	\$ (3,652,296.76)		

Notes

- 1 - Interest assumed to be 18% compounded monthly, with the first period of interest due on August 1, 2017.
- 2 - Interest computed on the initial tranche of \$1,300,000 is assumed to begin accruing on July 5, 2017 (\$2.0M Facility Mortgage Agreement Page 1).
- 3 - Interest computed on the second advance of \$700,000 is assumed to begin accruing on September 1, 2017. (McArthur affidavit Exhibit G).
- 4 - Interest is calculated on the first of each month for the previous period. The first period (August 1, 2017) calculates a pro-rated portion of the previous month, from July 5 2017 - July 31 2017.
- 5 - A&M has assumed \$270,000 of prepaid interest based on loan commitment letter.
- 6 - For simplicity, forbearance fees have been applied on the first of each month for the first three periods instead of the 5th of month as per Forbearance agreement Article 3.2(b).
- 7 - Forbearance and monitoring fees assumed to include GST; however, this is not explicitly stated in Forbearance Agreement article 3.2(b) and \$2.0M Facility Loan Commitment Letter Page 4

Exhibit 5- \$2M Facility Interest Schedule
Interest Accrual Data (for previous month)

	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
August 1 2017 (Period July 5 - July 31)	18%	\$ 16,983.87	\$ -	\$ 4,200	\$ 1,300,000.00	\$ -	\$ (270,000.00)
September 1 2017	18%	\$ 19,500.00	\$ -	\$ 2,100	\$ 1,300,000.00	\$ 16,983.87	\$ (248,816.13)
October 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 36,483.87	\$ (227,216.13)
November 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 66,483.87	\$ (195,116.13)
December 1 2017	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 96,483.87	\$ (169,016.13)
January 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 126,483.87	\$ (130,916.13)
February 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 156,483.87	\$ (98,816.13)
March 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 186,483.87	\$ (66,716.13)
April 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,000,000.00	\$ 216,483.87	\$ (34,616.13)
May 1 2018	18%	\$ 30,000.00	\$ -	\$ 2,100	\$ 2,029,583.87	\$ 246,483.87	\$ (2,516.13)
June 1 2018	18%	\$ 30,443.76	\$ -	\$ 2,100	\$ 2,062,127.63	\$ 276,483.87	\$ 29,583.87
July 1 2018	18%	\$ 30,931.91	\$ 32,550	\$ 2,100	\$ 2,127,709.54	\$ 306,927.63	\$ 62,127.63
August 1 2018	18%	\$ 31,915.64	\$ -	\$ 2,100	\$ 2,161,725.19	\$ 337,859.54	\$ 127,709.54
September 1 2018	18%	\$ 32,425.88	\$ -	\$ 2,100	\$ 2,196,251.06	\$ 369,775.19	\$ 161,725.19
October 1 2018	18%	\$ 32,943.77	\$ -	\$ 2,100	\$ 2,231,294.83	\$ 402,201.06	\$ 196,251.06
November 1 2018	18%	\$ 33,469.42	\$ -	\$ 2,100	\$ 2,266,864.25	\$ 435,144.83	\$ 231,294.83
December 1 2018	18%	\$ 34,002.96	\$ 35,175	\$ 2,100	\$ 2,338,142.22	\$ 468,614.25	\$ 266,864.25
January 1 2019	18%	\$ 35,072.13	\$ -	\$ 2,100	\$ 2,375,314.35	\$ 502,617.22	\$ 338,142.22
February 1 2019	18%	\$ 35,629.72	\$ -	\$ 2,100	\$ 2,413,044.07	\$ 537,689.35	\$ 375,314.35
March 1 2019	18%	\$ 36,195.66	\$ 36,750	\$ 2,100	\$ 2,488,089.73	\$ 573,319.07	\$ 413,044.07
April 1 2019	18%	\$ 37,321.35	\$ -	\$ 2,100	\$ 2,527,511.07	\$ 609,514.73	\$ 488,089.73
May 1 2019	18%	\$ 37,912.67	\$ -	\$ 2,100	\$ 2,567,523.74	\$ 646,836.07	\$ 527,511.07
June 1 2019	18%	\$ 38,512.86	\$ 36,750	\$ 2,100	\$ 2,644,886.59	\$ 684,748.74	\$ 567,523.74
July 1 2019	18%	\$ 39,673.30	\$ -	\$ 2,100	\$ 2,686,659.89	\$ 723,261.59	\$ 644,886.59
August 1 2019	18%	\$ 40,299.90	\$ -	\$ 2,100	\$ 2,729,059.79	\$ 762,934.89	\$ 686,659.89
September 1 2019	18%	\$ 40,935.90	\$ 36,750	\$ 2,100	\$ 2,808,845.69	\$ 803,234.79	\$ 729,059.79
October 1 2019	18%	\$ 42,132.69	\$ -	\$ 2,100	\$ 2,853,078.37	\$ 844,170.69	\$ 808,845.69
November 1 2019	18%	\$ 42,796.18	\$ -	\$ 2,100	\$ 2,897,974.55	\$ 886,303.37	\$ 853,078.37
December 1 2019	18%	\$ 43,469.62	\$ 36,750	\$ 2,100	\$ 2,980,294.17	\$ 929,099.55	\$ 897,974.55
January 1 2020	18%	\$ 44,704.41	\$ -	\$ 2,100	\$ 3,027,098.58	\$ 972,569.17	\$ 980,294.17
February 1 2020	18%	\$ 45,406.48	\$ -	\$ 2,100	\$ 3,074,605.06	\$ 1,017,273.58	\$ 1,027,098.58
March 1 2020	18%	\$ 46,119.08	\$ 36,750	\$ 2,100	\$ 3,159,574.13	\$ 1,062,680.06	\$ 1,074,605.06
April 1 2020	18%	\$ 47,393.61	\$ -	\$ 2,100	\$ 3,209,067.75	\$ 1,108,799.13	\$ 1,159,574.13
May 1 2020	18%	\$ 48,136.02	\$ -	\$ 2,100	\$ 3,259,303.76	\$ 1,156,192.75	\$ 1,209,067.75
June 1 2020	18%	\$ 48,889.56	\$ 36,750	\$ 2,100	\$ 3,347,043.32	\$ 1,204,328.76	\$ 1,259,303.76
July 1 2020	18%	\$ 50,205.65	\$ -	\$ 2,100	\$ 3,399,348.97	\$ 1,253,218.32	\$ 1,347,043.32
August 1 2020	18%	\$ 50,990.23	\$ -	\$ 2,100	\$ 3,452,439.20	\$ 1,303,423.97	\$ 1,399,348.97
September 1 2020	18%	\$ 51,786.59	\$ 36,750	\$ 2,100	\$ 3,543,075.79	\$ 1,354,414.20	\$ 1,452,439.20
October 1 2020	18%	\$ 53,146.14	\$ -	\$ 2,100	\$ 3,598,321.93	\$ 1,406,200.79	\$ 1,543,075.79
November 1 2020	18%	\$ 53,974.83	\$ -	\$ 2,100	\$ 3,652,296.76	\$ 1,459,346.93	\$ 1,598,321.93
	18%			\$ -		\$ 1,513,321.76	\$ 1,652,296.76

Exhibit 6: \$1.5M Facility (Loan #3) - Summary of Mortgage Advances and Accrued Interest

	Loan 3	Notes	Source Document(s)
Principle Amount of Loan	\$ 1,500,000.00		McArthur affidavit (Page 3 Para.9, Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-3); \$1.5M Facility Mortgage Agreement (Page 1).
Disbursed and Withheld by BLG			
Lender Fee - 9 Months of Prepaid Interest	(202,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Hillsboro	(27,500.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Lender Fee - Paid to Neotric	(51,125.00)		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-4); Ferrel affidavit of default (Page 100)
Paid KH Dunkley Law Group - In Trust	(424,204.40)		McArthur affidavit (Exhibit L, Exhibit M, Exhibit N).
Paid BLG Legal Fees and Disbursements	(58,946.48)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para.4, Page 2 Para.5, Page 2 Para.8)
Transferred to Dentons after Counterclaim Filed	(735,724.12)		McArthur affidavit (Exhibit L, Exhibit M); Mah affidavit (Page 2 Para. 8).
	\$ (1,500,000.00)		
Compound Interest - November 7, 2017 Advance Date to October 31, 2020	(1,617,885.48)	1,2,3	ABM Estimation, \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Pages 1-4); Ferrel affidavit of default (Page 2 Para.4/5/6).
Add back amount withheld by Lender for Interest on amendment and new mortgage	202,500.00		McArthur affidavit (Exhibit L, Exhibit M); \$1.5M Facility Loan Commitment Letter (Pages 1-2); \$1.5M Facility Mortgage Agreement (Page 1)
Payment of trust funds to Hillsboro	611,985.94		Dentons Trust account statement
Forbearance Fees (Up to October 31 2020)	(236,250.00)	4	Forbearance Agreement - Article 3.2(c)
Monitoring Fees (Up to October 31 2020)	(94,500.00)	5	\$1.5M Facility Loan Commitment Letter (Page 4)
	\$ (1,133,949.54)		
Total Amount Outstanding Under Loan #3 As of October 31, 2020	\$ (2,633,949.54)		

Notes

- 1 - Interest assumed to be 18% compounded monthly from October 10 2017 to October 9 2018, with the first period of interest due on November 1, 2017.
- 2 - Interest assumed to be 30% compounded monthly from October 9 2018 to October 31, 2020
- 3 - Interest is calculated on the first of each month for the previous period. The first period (November 1, 2017) calculates a pro-rated portion of the previous month, from October 10 2017 - October 31 2017.
- 4 - Forbearance fees assumed to include GST, however; this is not explicitly stated in Forbearance Agreement Article 3.2(c).

Exhibit 7: \$1.5M Facility (Loan #3) Interest Schedule - Compounded Monthly

Interest Accrual Date (for previous month)	Interest Rate	Period Interest	Forbearance & Legal Fees	Monitoring Fees	Loan Balance	Interest Accrued	Interest and Fees
November 1 2017 (October 10 - October 31 Period)	18%	\$ 15,967.74	\$ -	\$ -	\$ 1,500,000.00	\$ -	\$ (202,500.00)
December 1 2017	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 15,967.74	\$ (185,907.26)
January 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 38,467.74	\$ (158,782.26)
February 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 60,967.74	\$ (133,657.26)
March 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 83,467.74	\$ (108,532.26)
April 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 105,967.74	\$ (83,407.26)
May 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 128,467.74	\$ (58,282.26)
June 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 150,967.74	\$ (33,157.26)
July 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,500,000.00	\$ 173,467.74	\$ (8,032.26)
August 1 2018	18%	\$ 22,500.00	\$ -	\$ -	\$ 1,517,092.74	\$ 195,967.74	\$ 17,092.74
September 1 2018	18%	\$ 22,756.39	\$ -	\$ -	\$ 1,542,474.13	\$ 218,774.13	\$ 42,474.13
October 1 2018	18%	\$ 23,137.11	\$ -	\$ -	\$ 1,568,236.25	\$ 241,861.25	\$ 68,236.25
November 1 2018 (30% interest starting on October 9 2018)	18%	\$ 23,523.54	\$ 25,200	\$ -	\$ 1,619,584.79	\$ 265,384.79	\$ 119,584.79
December 1 2018	30%	\$ 36,310.05	\$ -	\$ -	\$ 1,658,519.83	\$ 301,694.83	\$ 158,519.83
January 1 2019	30%	\$ 41,463.00	\$ -	\$ -	\$ 1,702,607.83	\$ 343,157.83	\$ 203,607.83
February 1 2019	30%	\$ 43,694.95	\$ -	\$ -	\$ 1,749,117.98	\$ 385,723.03	\$ 247,798.03
March 1 2019	30%	\$ 44,852.95	\$ -	\$ -	\$ 1,869,945.93	\$ 429,417.98	\$ 294,117.98
April 1 2019	30%	\$ 46,748.65	\$ -	\$ -	\$ 1,919,319.57	\$ 474,270.93	\$ 369,945.93
May 1 2019	30%	\$ 47,982.99	\$ -	\$ -	\$ 1,969,927.56	\$ 521,019.57	\$ 419,319.57
June 1 2019	30%	\$ 49,248.19	\$ 30,450	\$ -	\$ 2,052,250.75	\$ 569,002.56	\$ 469,927.56
July 1 2019	30%	\$ 51,306.27	\$ -	\$ -	\$ 2,106,182.02	\$ 618,250.75	\$ 552,250.75
August 1 2019	30%	\$ 52,654.55	\$ -	\$ -	\$ 2,161,461.57	\$ 669,557.02	\$ 606,182.02
September 1 2019	30%	\$ 54,036.54	\$ 30,450	\$ -	\$ 2,248,573.11	\$ 722,211.57	\$ 661,461.57
October 1 2019	30%	\$ 56,214.33	\$ -	\$ -	\$ 2,307,412.44	\$ 776,248.11	\$ 748,573.11
November 1 2019	30%	\$ 57,685.31	\$ -	\$ -	\$ 2,367,722.75	\$ 832,462.44	\$ 807,412.44
December 1 2019	30%	\$ 59,193.07	\$ 30,450	\$ -	\$ 2,459,990.82	\$ 890,147.75	\$ 867,722.75
January 1 2020	30%	\$ 61,499.77	\$ -	\$ -	\$ 2,524,115.59	\$ 949,340.82	\$ 959,990.82
February 1 2020	30%	\$ 63,102.89	\$ -	\$ -	\$ 2,589,843.48	\$ 1,010,840.59	\$ 1,024,115.59
March 1 2020	30%	\$ 64,746.09	\$ 30,450	\$ -	\$ 2,687,664.57	\$ 1,073,943.48	\$ 1,089,843.48
April 1 2020	30%	\$ 67,191.61	\$ -	\$ -	\$ (611,985.94)	\$ 1,138,689.57	\$ 1,187,664.57
May 1 2020	30%	\$ 53,637.38	\$ -	\$ -	\$ 2,145,495.24	\$ 1,205,881.18	\$ 1,257,481.18
June 1 2020	30%	\$ 55,043.94	\$ 30,450	\$ -	\$ 2,201,757.62	\$ 1,259,518.56	\$ 1,313,743.56
July 1 2020	30%	\$ 57,246.91	\$ -	\$ -	\$ 2,289,876.56	\$ 1,314,562.50	\$ 1,401,862.50
August 1 2020	30%	\$ 58,743.71	\$ -	\$ -	\$ 2,349,748.48	\$ 1,371,809.42	\$ 1,461,734.42
September 1 2020	30%	\$ 60,277.93	\$ 30,450	\$ -	\$ 2,411,117.19	\$ 1,430,553.13	\$ 1,523,103.13
October 1 2020	30%	\$ 62,611.75	\$ -	\$ -	\$ 2,504,470.12	\$ 1,490,831.06	\$ 1,616,456.06
November 1 2020	30%	\$ 64,242.67	\$ -	\$ -	\$ 2,569,706.87	\$ 1,553,442.81	\$ 1,681,592.81
					\$ -	\$ 1,617,685.48	\$ 1,745,935.48

Dentons Trust Account Summary

Transfer of Funds to Dentons - Post Filing of Counterclaim

Legal Fees Paid to Dentons

Fees Paid to Altus Group

Fees Paid to BLG

Transfer of Funds to Hillsboro on April 9, 2020

Closing Funds

735,724
(103,977)
(6,930)
(12,831)
(611,986)
\$ -

DAVID T. MADSEN, Q.C.
T 403-232-9612
F 403-266-1395
dmadsen@blg.com
file no : 443707-06

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
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blg.com



DELIVERED BY EMAIL

September 24, 2018

Low, Glenn & Card LLP
100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9

Attention: Thomas Glenn

Dear Sir:

Re: Foreclosure by Hillsboro Ventures Inc. ("Hillsboro")

We are writing to you in response to your letter dated September 12, 2018.

We confirm that Borden Ladner Gervais LLP ("BLG" or "we") acted for Hillsboro in connection with the loan advances to Ceana Development Sunridge Inc. ("Ceana") pursuant to the three mortgages registered on behalf of Hillsboro.

As per your request, please find enclosed:

\$3,000,000.00 Loan

- (a) Statement of Disbursement of Funds (advance date January 12, 2017);
- (b) BLG Trust Detail with respect to (a) above;
- (c) Statement of Disbursement of Funds (advance date March 2, 2017);
- (d) BLG Trust Detail with respect to (c) above; and
- (e) BLG Trust Letter to KH Dunkley Law Group dated March 2, 2017.

\$2,000,000.00 Loan

- (a) Statement of Disbursement of Funds (various advance dates);
- (b) BLG Trust Detail with respect to (a) above;
- (c) BLG Trust Letter to KH Dunkley Law Group dated August 2, 2017;
- (d) Copy of cheque to Alpha Steel Builders Inc. issued by Hillsboro dated July 11, 2017;
- (e) BLG Letter to Hillsboro dated August 18, 2017 for prepaid interest, fees and payment of Alpha Steel Builders Inc. (\$640,000.00);
- (f) BLG Letter to Hillsboro dated September 1, 2017 (\$94,500.00) for prepaid interest;

- (g) BLG Trust Letter to KH Dunkley Law Group dated October 6, 2017;
- (h) BLG Trust Letter to KH Dunkley Law Group dated October 10, 2017; and
- (i) BLG Trust Letter to KH Dunkley Law Group dated October 17, 2017.

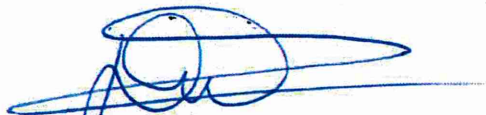
\$1,500,000.00 Loan

- (a) Statement of Disbursement of Funds (November 7, 2017);
- (b) BLG Trust Detail with respect to (a) above. As of September 18, 2018, we confirm that we are holding \$759,227.51 in our account;
- (c) BLG Trust Letter to KH Dunkley Law Group dated November 7, 2017; and
- (d) BLG Letter to Hillsboro dated November 3, 2017 (funds representing broker fees, management fees and prepaid interest).

With respect to the letter dated August 25, 2017 (the "Letter") from BLG and addressed to Fast Track Development ("Fast Track"), we advised Fast Track that BLG was holding \$2,440,000.00 in our trust account on behalf of Hillsboro to be used only for the purpose of the development of the Project (as defined therein) and no other uses. We refer you to document (b) under the \$2,000,000.00 loan and the line item dated August 29, 2017 evidencing that BLG had \$2,449,524.16 in our trust account on this matter. In response to your query as to an explanation why those funds were not available when requested, our statement in the Letter was a confirmation of factual information. Under the Letter, BLG had no obligation to advance funds directly to Fast Track or to Ceanà. **WAS NOT IN THE TRUST ACCOUNT AND THERE WAS NO REASON FOR THESE FUNDS TO BE IN HERE AS THEY DONT CORRESPOND TO THE REPORTS OR TRUST**

Yours truly,

BORDEN LADNER GERVAIS LLP



DAVID T. MADSEN

assistant: Chris Moggert

direct line: 403.232.9604

/encs

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 440221-04A TM
LENDER: HILLSBORO ENTERPRISES INC.
BORROWER: CEANA DEVELOPMENTS SUNRIDGE INC.
PROPERTY: 2255 - 32 Street NE, Calgary

**THIS WAS NEVER PUT INTO
THE TRUST ACCOUNT AT
BLG THEREFORE THIS WAS
NOT ACCOUNTED FOR
FROM THEM IN THE TRUST
ACCOUNT BUT ONLY THEIR
REPORTS**

FIRST AND FINAL ADVANCE - Date: January 12, 2017

PRINCIPAL AMOUNT OF LOAN:	\$3,000,000.00
Withheld by Lender re. 2 nd Mortgage Funded	\$650,000.00
Withheld by Lender for interest on amendment and new mortgage	\$550,000.00
TOTAL FUNDS RECEIVED:	<u>\$1,800,000.00</u>

DISBURSED HEREWITH:

Withheld for legal fees & disbursements	\$8,450.00
Paid KH Dunkley Law Group – in trust	\$1,231,350.00
Withheld re. holdback until final documents	\$500,000.00
Withheld for payment of broker fees	\$60,000.00
Withheld for final disbursements	<u>\$200.00</u>

TOTAL DISBURSED THIS ADVANCE: \$1,800,000.00

E. & O.E.

Borden Ladner Gervais LLP Trust Detail

Client/Matter/Trust		Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
440221	Hillsboro Enterprises Inc.							
000004	Ceana Development Sunridge Inc.							
Canadian Dollars								
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)								
4/14/2016	Payor: CC CIBC BD/ Hillsboro Enterprises Inc., Cheque Number: 267788016, Cheque Date: 04/12/16, CC CIBC BD/ Hillsboro Enterprises Inc Re: Mortgage proceeds	4/14/2016		Principal		630,000.00	630,000.00	
4/14/2016	Payor: NC Liberty Mortgage Corp., Cheque Number: 254, Cheque Date: 04/11/16, NC Liberty Mortgage Corp Re: legal retainer	4/21/2016		Principal		2,500.00	632,500.00	
4/29/2016	Payee: KH Dunkley Law Group, Cheque Number: 52019771, Cheque Date: 04/29/16, TM Loan Advance			Principal	-567,670.43	64,829.57	64,829.57	
5/2/2016	Payee: Hillsboro Enterprises Inc., Cheque Number: 52019773, Cheque Date: 05/02/16, TM Lender's fee			Principal	-31,500.00	33,329.57	33,329.57	
5/2/2016	Payee: Hillsboro Enterprises Inc., Cheque Number: 52019774, Cheque Date: 05/02/16, TM Prepaid interest			Principal	-27,300.00	6,029.57	6,029.57	
5/6/2016	Payee: Borden Ladner Gervais LLP, Cheque Number: 52019797, Cheque Date: 05/06/16, To transfer funds to general account to pay invoice 697335396			Principal	-5,977.96	51.61	51.61	
11/18/2016	Payee: Borden Ladner Gervais LLP, Cheque Number: 52020568, Cheque Date: 11/18/16, Transfer to general account to pay invoice # 697397105			Principal	-51.61	0.00	0.00	
1/10/2017	Payor: CC CIBC Draft (Hillsboro Enterprises Inc., Cheque Number: 275201002, Cheque Date: 01/09/17, CC CIBC Draft (Hillsboro Enterprises Inc.) Re: Mortgage Proceeds	1/10/2017		Principal	1,800,000.00	1,800,000.00	1,800,000.00	
1/12/2017	Payee: KH Dunkley Law Group - in trust, Cheque Number: 52020849, Cheque Date: 01/12/17, TM Loan Advance			Principal	-1,231,350.00	568,650.00	568,650.00	
1/13/2017	Payee: Yorkfield Financial Corporation, Cheque Number: 52020860, Cheque Date: 01/13/17, TM Broker Fee (50)			Principal	-30,000.00	538,650.00	538,650.00	
1/13/2017	Payee: Liberty Mortgage Services Ltd, Cheque Number: 52020861, Cheque Date: 01/13/17, TM Broker fee (50)			Principal	-30,000.00	508,650.00	508,650.00	
3/2/2017	TR FR 440221/000004 to 443707/000001 transfer money as it will be disbursed from the other file			Principal	-500,000.00	8,650.00	8,650.00	
3/9/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 03/09/17, TM Balance of funds in trust			Principal	-210.65	8,439.35	8,439.35	
3/10/2017	Payee: Borden Ladner Gervais LLP, Cheque Number: 52021091, Cheque Date: 03/10/17, To transfer funds to general account to pay invoice 697438485			Principal	-8,439.35	0.00	0.00	
11/9/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52021090, Cheque Date: 11/09/17, Stale Dated Cheque Cancellation			Principal	210.65	210.65	210.65	
11/13/2017	Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 11/13/17, PM Balance in trust - re: issuing of stale dated cheque			Principal	-210.65	0.00	0.00	
6/12/2018	Payee: Ceana Development Sunridge Inc., Cheque Number: 52022085, Cheque Date: 06/12/18, Stale Dated Cheque Cancellation			Principal	210.65	210.65	210.65	

THIS DEPOSIT SHOULD HAVE BEEN \$2,350,000 WHICH IS THE 1.8M AND THE 550K INTEREST RESERVE BY HB THIS AMOUNT MIS REPRESENTED AND LOAN FUNDED

Borden Ladner Gervais LLP Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
Total Canadian Dollars							
			Trust Total		210.65		
			Held Amount		0.00		
			Available Amount		210.65		
			Trust Total		210.65		
			Held Amount		0.00		
			Available Amount		210.65		
Summary							
Trust Currency							
Canadian Dollars:							
			Trust Total		\$210.65		
			Held Amount		\$0.00		
			Available Amount		\$210.65		

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-01 TM
 LENDER: HILLSBORO VENTURES INC.
 BORROWER: CEANA DEVELOPMENTS SUNRIDGE
 PROPERTY: 443707-01

**THIS WAS NEVER PUT
 INTO THE TRUST
 ACCOUNT AT BLG
 THEREFORE THIS WAS
 NOT ACCOUNTED FOR
 FROM THEM IN THE
 TRUST ACCOUNT BUT
 ONLY THEIR REPORTS**

FIRST AND FINAL ADVANCE - Date: March 2, 2017

PRINCIPAL AMOUNT OF LOAN:	\$3,000,000.00
Less previously advanced on January 12, 2017	(\$1,300,000.00)
Less amount withheld by Lender for interest amendment and new mortgage	(\$550,000.00)
Less amount withheld by Lender to payout Hillsboro Enterprises mortgage	(\$650,000.00)
TOTAL FUNDS RECEIVED:	<u>\$500,000.00</u>

DISBURSED HEREWITH:

Paid BLG legal fees & disbursements	\$10,768.74
Paid KH Dunkley Law Group - in trust - net mortgage proceeds	\$489,031.26
Withheld for final disbursements	<u>\$200.00</u>

USED THIS ADVANCE: \$500,000.00

0° *

3,000,000.00 +
 1,300,000.00 -
 550,000.00 -
 650,000.00 -
 500,000.00 *+
 500,000.00 +
 10,768.74 -
 200.00 -
 489,031.26 *+

0° *

0° *

0° *

Report: trt06

Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
443707 Hillsboro Ventures Inc.							
000001 Ceana Developments Sunridge							
Canadian Dollars							
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
3/2/2017			TR FR 440221/0000004 to 443707/000001 transfer money as it will be disbursed from the other file	Principal	500,000.00	500,000.00	
3/2/2017			Payee : KH Dunkley Law Group - in trust , Cheque Number: 52021075 , Cheque Date: 03/02/17 , T/M Net Mortgage Proceeds	Principal	-489,031.26	10,968.74	
3/10/2017			Payee : Borden Ladner Gervais LLP , Cheque Number: 52021091 , Cheque Date: 03/10/17 , To transfer funds to general account to pay invoice 697437219	Principal	-10,768.74	200.00	
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)							
			Trust Total		200.00		
			Held Amount		0.00		
			Available Amount		200.00		
Total Canadian Dollars			Trust Total		200.00		
			Held Amount		0.00		
			Available Amount		200.00		
Summary							
Trust Currency			Trust Total		200.00		
Canadian Dollars:			Held Amount		\$0.00		
			Available Amount		\$200.00		

Travis McArthur
Direct tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 443707-01

March 2, 2017

KH Dunkley Law Group
20, 1915 - 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khail Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES
INC.
\$3,000,000.00

We enclose herewith our firm trust cheque in the sum of \$489,031.26 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

The enclosed funds are sent to you on the trust condition that within a reasonable period of time you will provide us with proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2016. ✓

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.


Note that the enclosed funds are not releasable until we confirm that the Certificate of Insurance is acceptable.

We have withheld the sum of \$200.00 in anticipation of final disbursements and will provide you with our statement of account in due course.

We confirm our undertaking that we will discharge LTO Registration Nos. 161 114 539-40 and 171 023 796 as well as PPR Registration no. 16042644218 and will provide you with a Certificate of Title and PPR Discharge Notice in due course.

Yours truly,

BORDEN LADNER GERVAIS LLP



TRAVIS MCARTHUR
/cb

paralegal: Cecilia Brandao
direct line: 403.232.9524
e-mail: cbrandao@blg.com

CAL01-#2185926-v1-mORTGAGE_disB_JETTER_- 443707-01

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-04
 LENDER: Hillsboro Ventures Inc.
 BORROWER: Ceana Development Sunridge Inc.
 PROPERTY: 2255-32 Street NE, Calgary

ACCOUNTING BY BLG IS INCORECT AS THERE SHOULD HAVE BEEN 2M INTO THE TRUST AND THEN THE PAYMENTS TO ALPHA STEEL/KASON/FT/PRIMARY / LEGAL = 1.3 NET AND NOT GROSS - (SEE BLG PG 13)

ONLY ITEM THAT SHOULD HAVE BEEN ON THIS REPORT IS 2M IN AND 2 M DISBURSED OUT. NO NEOTRIC LOAN SHOULD HAVE EVER BEEN HERE AND DEPOSITED TO THE TRUST ACCOUNT AS ALL LOANS HAVE BEEN ACCOUNTED FOR. THIS WAS A CLEAR MISREPRESENTATION TO MAKE FT BELIEVE THERE WAS MONEY FOR WORK. THIS IS SUPPORTED BY THE LETTER THAT WAS WRITTEN TO FT BEFORE THESE FUNDS WERE EVER IN THE ACCOUNT

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - July 12, 2017

Credits

\$1,300,000.00

Debits

- (SEE BLG PG 13)
 Balance of 2M loan.
 THIS SHOULD BE 2M

TRANSEFER FROM NEOTRIC ENTERPRISES INC. FILE- August 29, 2017

\$2,441,524.16

Not mortgage amounts this should not have been here

CHEQUE RECEIVED FROM HILLSBORO VENTURES INC. - Mortgage Proceeds - September 8, 2017

\$260,000.00

Not mortgage amounts this should not have been here

TOTAL FUNDS RECEIVED:

\$4,001,524.16

AMOUNTS DISBURSED:

August 3, 2017 - PAID Alpha Steel Inc. - Disbursement of Loan Proceeds	\$150,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Kason Excavating - Disbursement of Loan Proceeds	\$100,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Fast Track Commercial Inc. - Disbursement of Loan Proceeds	\$300,000.00	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 3, 2017 - PAID Primary Engineering and Construction Corp. - Disbursement of Loan Proceeds	\$93,584.17	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 18, 2017 - Paid KH Dunkley Law Group - in trust - disbursement of loan proceeds	\$8,415.83	(DOUBLE COUNTED SHOULD BE OFF 2M LOAN) - (SEE BLG PG 13)
August 18, 2017 - Paid Hillsboro Ventures Inc. re Prepaid interest fee	\$640,000.00	KEPT BY HB
September 1, 2017 - PAID Hillsboro Ventures Inc. - Prepaid Interest, Fees, etc.	\$94,500.00	KEPT BY HB
September 19, 2017 - PAID Borden Ladner Gervais LLP - Transfer Funds to General Account to pay Invoice 697499913	\$8,000.00	
October 6, 2017 - PAID KH Dunkley Law Group - in trust - Loan Advance	\$100,000.00	

October 10, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$167,000.00
October 17, 2017 - PAID KH Dunkley Law Group – in trust – Loan Advance	\$338,500.00
TOTAL DISBURSED:	<u>\$2,000,000.00</u>
October 20, 2017 – Paid to Neotric Enterprises Inc. for excess funds in our trust account	\$501,524.16
Transfer of funds to matter 05 – third loan to Ceana	MTG NOT SIGNED <u>\$1,500,000.00</u>
Total Disbursed	TILL NOV 1 2017 <u>\$4,001,524.16</u> WHY MONEY IN ACCOUNT????

E. & O.E.

It is like they advanced the trust account with other money to pay their bills and make fastrack do work and then did a mtg after thefact to recoup funding. This was not a mortgage that ceana was advanced because the next mtg was in Oct. Ceana never authorized this to be done on their behalf. The loaned the trust account \$ to cover their interest. This money from Neotric should never have been advanced as this is not CEANA money or the three mtgs. Again HB took this on themself to make these decisions.

Borden Ladner Gervais LLP

Page 1

Printed: 9/13/2018 4:27 PM ET

Report: trt06

Trust Detail

Client/Matter/Trust

Tran Date Hold Date

Amount Type GIC Amount Balance Next Compound Date

443707 Hillsboro Ventures Inc.

000004 Ceana Development Sunridge Inc. (second

Canadian Dollars

CDN

Trust Id #4520 CAL - RBC SCDN Trust (CT05)

7/12/2017 Payor: NC Hillsboro Ventures Inc., Cheque Number: 000313, Cheque Date: 07/04/17, NC Hillsboro Ventures Inc. re: Mortgage proceeds **SHOULD HAVE BEEN 2M DEPOSITED AND THEN THE DISB BELOW** Principal 1,300,000.00

8/2/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021670, Cheque Date: 08/02/17, TM re: Net Mortgage proceeds Principal -652,000.00

8/2/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021670, Cheque Date: 08/02/17, Check Cancellation - to re-issue Principal 652,000.00

8/3/2017 Payee: Alpha Steel Inc., Cheque Number: 52021671, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -150,000.00

8/3/2017 Payee: Kason Excavating, Cheque Number: 52021672, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -100,000.00

8/3/2017 Payee: Fast Track Commercial Inc., Cheque Number: 52021673, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -300,000.00

8/3/2017 Payee: Primary Engineering and Construction Corp., Cheque Number: 52021674, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -93,584.17

8/3/2017 Payee: KH Dunkley Law Group, Cheque Number: 52021675, Cheque Date: 08/03/17, TM Disbursement of Loan Proceeds Principal -8,415.83

8/18/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021734, Cheque Date: 08/18/17, TM Prepaid Interest, Fees, Etc. Principal -640,000.00

8/29/2017 TR FR 444103/000001 to 443707/000004 money will be disbursed on file 443707/000004 pursuant to instructions from client Principal 2,441,524.16

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021790, Cheque Date: 09/01/17, TM re: Lender Fees Principal -94,500.00

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021790, Cheque Date: 09/01/17, Wrong description on the cheque; to be reissued Principal 94,500.00

9/1/2017 Payee: Hillsboro Ventures Inc., Cheque Number: 52021791, Cheque Date: 09/01/17, TM re: Prepaid interest, fees, etc. Principal -94,500.00

9/1/2017 Payor: NC Hillsboro Ventures Inc., Cheque Number: 000319, Cheque Date: 08/28/17, NC Hillsboro Ventures Inc. re: Mortgage proceeds Principal 260,000.00

9/19/2017 Payee: Borden Ladner Gervais LLP, Cheque Number: 52021864, Cheque Date: 09/19/17, To transfer funds to general account to pay invoice 697499913 Principal -8,000.00

10/5/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021932, Cheque Date: 10/06/17, TM Loan Advance Principal -100,000.00

10/10/2017 Payee: KH Dunkley Law Group - in trust, Cheque Number: 52021937, Cheque Date: 10/10/17, TM Loan Advance Principal -167,000.00

AGAIN BLG
CONFIRMED
MONEY
IN THEIR TRUST
ACCOUNT THEY
DID NOT HAVE

NOT PER ANY OF
OUR MTGS PER
OUR
ACCOUNTING
THERE THIS
WAS A
MISPRESNTATI
ON

Borden Ladner Gervais LLP

Page 2

Printed: 9/13/2018 4:27 PM ET

Report: trt06

Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
	10/16/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021965, Cheque Date: 10/16/17, TM Advance of funds	Principal	-300,000.00	2,040,024.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021967, Cheque Date: 10/17/17, TM Advance of funds	Principal	-338,500.00	1,701,524.16	
	10/17/2017		Payee : KH Dunkley Law Group - in trust, Cheque Number: 52021965, Cheque Date: 10/17/17, check cancellation - issued for wrong amount	Principal	300,000.00	2,001,524.16	
	10/18/2017		Moeny will be disbursed on the other file 443707-05	Principal	-1,500,000.00	501,524.16	
	10/20/2017		Payee : Neotric Enterprises Inc., Cheque Number: 52021980, Cheque Date: 10/20/17, TM Return of excess trust funds	Principal	-501,524.16	0.00	
EARLY FUNDED AND MTG NOT SIGNED UNTIL NOV 1 2018 - WHEY WOULD THEY ADVANCE MONEY WHEN NO SIGNED DOCUMENT FOR MTG							
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)				Trust Total	0.00		
				Held Amount	0.00		
				Available Amount	0.00		
THIS WAS NOT OUR LOAN AND THIS MONEY SHOULD NOT HAVE BEEN IN THE TRUST ACCOUNT IN THE FIRST PLACE							
Total Canadian Dollars				Trust Total	0.00		
				Held Amount	0.00		
				Available Amount	0.00		

Summary

Trust Currency	Trust Total	Held Amount	Available Amount
Canadian Dollars:	\$0.00	\$0.00	\$0.00

Travis McArthur
Direct.tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

File No. 443707-04

August 2, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES
INC.
\$2,000,000.00 **2M - 652K = \$1,348,000 THAT SHOULD BE IN TRUST ACCOUNT**

We enclose herewith our firm trust cheque in the total sum of \$652,000.000 representing the net mortgage proceeds, broken out as follows:

Alpha Steel Inc.	\$150,000.00
Kason Excavating	\$100,000.00
Fast Track Commercial Inc.	\$300,000.00
Primary Engineering and Construction Corp.	\$93,584.17
KH Dunkley Law Group	\$8,415.83

The enclosed funds are sent to you on the trust condition that:

1. You provide the enclosed cheques to an officer of the Borrower (other than the cheque made payable to KH Dunkley Law Group) and advise such officers to pay the respective contractor; and
2. You ensure that title insurance policy no. 170728001418 is in place and that you have a mortgage and are free to utilize same, and you have submitted the same for registration and in due course you provide us a copy of the title(s) evidencing the Mortgage and our Caveat as registered.

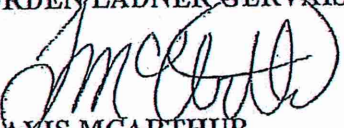
If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.



We will provide our Statement of funds received and advanced via email.

Yours truly,

BORDEN/LADNER GERVAIS LLP



TRAVIS MCARTHUR
/nl

paralegal: Na Lu
direct line: 403.232.9671
e-mail: nlu@blg.com

000315

HILLSBORO VENTURES INC.
927 7A STREET N.W.
CALGARY, ALBERTA T2M 3J4

DATE 2017-07-11
Y Y Y Y M M D D

PAY to the order of ALPHA STEEL BUILDERS INC \$310,000.00
THREE HUNDRED TEN THOUSAND DOLLARS - 00/100
HILLSBORO VENTURES INC.

CIBC CANADIAN IMPERIAL BANK OF COMMERCE
MOUNT ROYAL
1222 - 17TH AVE. S.W.
CALGARY, ALBERTA T2T 0B8

RE Cash/Draw/Em PER [Signature]

Security features protected.

⑈000315⑈ ⑈00209⑈010⑈ 47⑈01712⑈

PART OF THE CHEQUE THAT WAS DISBURSED TO HB THEREFORE THIS IS NOT ADDITIONAL FUNDING. THIS WAS CLEAR THROUGH THE HAND WRITTEN REPORT PROVIDED TO US.

ALSO FURTHER DOCUMENTED BELOW

Travis McArthur
T (403) 232-9720
(403) 266-1395
tcarthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

File No.: 443707/04

August 18, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

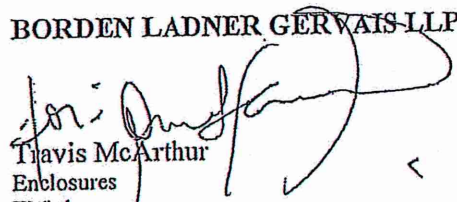
Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
\$2,000,000.00
PLAN 9811891
BLOCK 8
LOT 1
~~EXCEPTING THEREOUT ALL MINES AND MINERALS~~

With respect to the above, we enclose our trust cheque in the amount of \$640,000.00 representing the release of the prepaid interest, fees and advance Alpha Steel.

We trust the enclosed to be satisfactory. We will send a copy of our invoice once all the disbursements have been posted.

Yours truly,

BORDEN LADNER GERVAIS-LLP


Travis McArthur
Enclosures
TM\cb

Legal Assistant: Cecilia Brandao
Email: fbrandao@blg.com
Direct Line: 403-232-9524

Travis McArthur
T (403) 232-9720
(403) 266-1395
mcarthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No.: 443707/04

September 1, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
PLAN 9811891
BLOCK 8
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

With respect to the above, we enclose our trust cheque in the amount of \$94,500.00 representing the prepaid interest on this loan.

We trust the enclosed to be satisfactory.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in dark ink, appearing to read 'Travis McArthur', is written over the printed name.

Travis McArthur
Enclosures
TM/cb

Legal Assistant: Cecilia Brandao
Email: cbrandao@blg.com
Direct Line: 403-232-9524

Travis McArthur
Direct.tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 6, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.

With respect to the above noted matter, we enclose the following:

1. A Land Titles Postponement executed by Hillsboro Ventures Inc. (the "Postponement"). You are authorized to insert the Connect First Credit Union registration particulars once known; and
2. Our firm's trust cheque in the amount of \$100,000.00.

The Postponement is sent to you on the following trust conditions:

1. That you pay out and discharge the Canadian Western Bank mortgage and send to our office an updated Certificate of Title evidencing the discharge instruments 161 114 537-8; and
2. That you send to our office evidence of discharge of the CWB PPR registration No. 160421284403.

The enclosed funds are sent to you on the following trust conditions:

1. That you shall use up to \$70,000.00 for the development of the project located at 2255 – 32nd Street NE, Calgary, AB; and
2. That you shall hold \$30,000.00 in your trust account pending further written instructions from our office.

If you are not able to comply with the above trust conditions you are to return the Postponement and the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP


TRAVIS MCARTHUR

Travis McArthur
Direct.tel.: (403) 232-9720
e-mail: tmcarthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 10, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

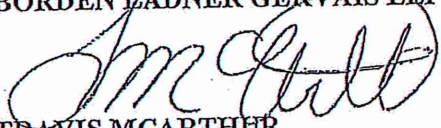
Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES
INC.

With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$167,000.00. This amount is fully releasable provided that the funds are used for the development of the project located at 2255 – 32nd Street NE, Calgary, AB.

We advise that the amount of \$30,000.00 held by your office from the total amount sent to you on October 6, 2017 is now releasable.

Yours truly,

BORDEN LADNER GERVAIS LLP


TRAVIS MCARTHUR
TMcb

Travis McArthur
Direct tel.: (403) 232-9720
e-mail: tmcArthur@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 Third Avenue S.W.
Calgary, AB, Canada T2P 0R3

File No: 443707.4 TM

October 17, 2017

KH Dunkley Law Group
20, 1915 – 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. (the "Borrower") by HILLSBORO VENTURES INC.

With respect to the above noted matter, we enclose our firm's trust cheque in the amount of \$338,500.00. The enclosed funds are sent to you on the following trust conditions:

1. That you shall immediately pay \$312,000.00 to Fast Track Commercial Inc. in payment for services rendered in connection with the project located at 2255 – 32nd Street NE, Calgary ("the Project"); and
2. That you shall hold the balance of \$26,500.00, minus your legal fees, in trust and apply them to future Project costs.

If you are not able to comply with the above trust conditions you are to return the enclosed funds to the attention of the writer immediately.

Yours truly,

BORDEN LADNER GERVAIS LLP


TRAVIS MCARTHUR
TMcb

Branch Cecilia

From: Amanda Luong <Amanda@khlawgroup.com>
Sent: October-18-17 10:10 AM
To: McArthur, Travis
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana

That's great.

Thanks Travis,

Amanda Luong | Paralegal
e. amanda@khlawgroup.com

KH | Dunkley Law Group
20, 1915- 32nd Avenue N.E.
Calgary, Alberta T2E 7C8
p. 403.207.4662
f. 587.318.6755
www.khlawgroup.com

This e-mail communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return e-mail and delete this communication and any copy immediately. Thank you.

From: McArthur, Travis [mailto:TMcArthur@blg.com]
Sent: Wednesday, October 18, 2017 10:07 AM
To: Amanda Luong
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana

Hi Amanda,

Please accept this email as confirmation that our trust letter of yesterday's date is amended such that your office is authorized to pay the sum of \$310,125.91 to Factors Western Inc. and the balance of funds (minus your legal fees) are to be held by your office in trust to be applied to future project costs.

Please let us know if you need anything further.

Thanks,
Travis

Travis McArthur
Associate
T 403.232.9720 | F 403.266.1395 | tmcarthur@blg.com
Centennial Place, East Tower, 1900, 520 - 3rd Ave S W, Calgary, AB, Canada T2P 0R3

Brandao, Cecilia

From: Amanda Luong <Amanda@khlawgroup.com>
Sent: October-18-17 9:11 AM
To: McArthur, Travis
Cc: Brandao, Cecilia; Mah, Patrick; Khalil Haji
Subject: RE: Hillsboro loan to Ceana
Attachments: Notice of Direction and Invoice.PDF

Hello Travis,

Further to your trust letter of yesterday's date, please see the attached the letter of direction and invoice received from Factors Western Inc. on behalf of Fast Track Commercial Inc.

Accordingly, we request that you amend your trust condition for us to pay the sum of \$310,125.91 to Factors Western Inc. in accordance with the attached.

Please advise at your earliest opportunity.

Kind regards,

Amanda Luong | Paralegal
e. amanda@khlawgroup.com

KH | Dunkley Law Group
20, 1915- 32nd Avenue N.E.
Calgary, Alberta T2E 7C8
p. 403.207.4662
f. 587.318.6755
www.khlawgroup.com

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From: McArthur, Travis [mailto:TMcArthur@blg.com]
Sent: Monday, October 16, 2017 4:46 PM
To: Amanda Luong
Cc: Brandao, Cecilia; Mah, Patrick
Subject: RE: Hillsboro loan to Ceana

Hi Amanda,

I've cc'ed my colleague Pat Mah on this email as he's going to handle the preparation of the new security documents.

I spoke with Pat and his intention is to get security documents to you on Wednesday. Please let us know if that timeline is problematic from your perspective.

Thanks.

Travis



NOTICE OF SALE AND ASSIGNMENT OF DEBT & DIRECTION TO PAY

To: CEANA DEVELOPMENT INC.

May 17, 2017

ATTENTION: ACCOUNTS PAYABLE

As of the date above, FACTORS WESTERN INC. has been contracted by FAST TRACK COMMERCIAL INC. to assist them with the administration of their accounts receivable. In this regard, they have assigned to Factors Western Inc. the present accounts owing to them by your company, in the sum of \$310,125.91 pursuant to Invoice FT17-552 dated January 5, 2017.

The signature "Assignor" which appears below is your complete and authority to submit payment directly to Factors Western Inc. at Suite 204, 236 Street 105, Calgary, Alberta T2E 1V9 and our receipt thereof shall be the only full and complete discharge to you of and from the said account.

The assignment referred to herein is for the valuable consideration and is unconditional and irrevocable unless or until withdrawn in writing by Factors Western Inc.

FACTORS WESTERN INC.

FAST TRACK COMMERCIAL INC.

Authorized signatory

Authorized signatory of Assignor

ACKNOWLEDGEMENT: Please sign as indicated below and fax the signed copy to Factors Western Inc. at (403) 250-3150.

We acknowledge herewith that the account described in the above noted invoice is due and payable without dispute or offset and undertake to make payment directly to Factors Western Inc. at the address indicated above.

CEANA DEVELOPMENT INC.
(Company)

Authorized Signature

BOB GALOCHAR / PRESIDENT
Print name and title

www.factorswestern.com

Fax: (403) 250-3150 - 236 Street 105, Calgary, Alberta T2E 1V9



Calgary : Ph: 403-2348610
Fax: 403-234-8616
Dir: 403-464-9659
Toll Free: 855-723-6399
Edmonton: Ph: 780-708-6295
Dir: 780-708-6390
Fax: 866-591-6581
Email: info@fasttrackcomm.ca

Progressive INVOICE

DATE: JAN.05,2017

Invoice: F.T17-552.

Address: 2255 32 Street NE, Calgary

Attn: Bob Gaidhar

Project Details: Sunridge Way NE

Total contract: \$ 7,425,800.00 plus GST

Progressive Invoice No 2:

10% hold back

Total:

GST

Payment Due:

\$ 328,175.57

\$ 32,817.56

\$ 295,358.01

\$ 14,767.90

\$ 310,125.91

We do appreciate your business.

Dan Deilami

dan@fasttrackcomm.ca

GST#: 808032015RT0001

ASSIGNMENT NOTICE
Pursuant to the terms of an
accounts receivable purchase dated
on or about Jan 17 2017
This invoice has been transferred
and is to be paid directly to:
Factors Western Inc.
Suite 204, 4321 - 23rd Street NE
Calgary, AB T2E 7V9
Any inquiries please call 1-877-717-2922

Calgary: P: 403-234-8610 F: 403-234-8616 Edmonton: P: 780-708-6295 F: 866-5916581

Factors Western Inc.
204, 4321 - 23rd Street NE
Calgary, AB T2E 7V9
P: 403-234-8610 F: 403-234-8616

info@fasttrackcomm.ca

BORDEN LADNER GERVAIS LLP

STATEMENT OF DISBURSEMENT OF FUNDS

OUR FILE: 443707-05
LENDER: Hillsboro Ventures Inc.
BORROWER: Ceana Development Sunridge Inc.
PROPERTY: Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1

ADVANCE - Date: November 7, 201~~7~~

PRINCIPAL AMOUNT OF LOAN: \$1,500,000.00

Less:

Paid Hillsboro Ventures Inc. re Prepaid interest fee	\$202,500.00
Paid Hillsboro Ventures Inc. re Liberty Fees	\$27,500.00
Paid Neotric Enterprises Inc. re lender's fee	\$51,125.00
BALANCE IN TRUST:	<u>\$1,218,875.00</u>

DISBURSED HEREWITH:

Withheld for BLG legal fees & disbursements	\$10,000.00
Paid KH Dunkley Law Group - in trust - net mortgage proceeds	\$424,204.40
	<u>\$434,204.40</u>

0° * 3D THIS ADVANCE:

0° * DISBURSED: \$784,670.60

1,500,000.00 +
- 202,500.00 -
- 27,500.00 -
- 51,125.00 -
1,218,875.00 **
1,218,875.00 +
- 10,000.00 -
- 424,204.40 -
784,670.60 **

0° *

0° *

Borden Ladner Gervais LLP

Trust Detail

Client/Matter/Trust		Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
443707 Hillsboro Ventures Inc.								
000005 Ceana Development Sunridge Inc. (third I								
Canadian Dollars								
Trust Id #4520 CAL - RBC \$CDN Trust (CT05)								
1	10/18/2017	Moeny will be disbursed on the other file 443707-05				1,500,000.00	1,500,000.00	
2	11/3/2017	Payee : Hillsboro Ventures Inc. , Cheque Number: 52022057 , Cheque Date: 11/03/17 , PM Prepaid Interest				-202,500.00	1,297,500.00	
3	11/3/2017	Payee : Hillsboro Ventures Inc. , Cheque Number: 52022058 , Cheque Date: 11/03/17 , PM Liberty Fees				-27,500.00	1,270,000.00	
4	11/3/2017	Payee : Neotric Enterprises Inc. , Cheque Number: 52022059 , Cheque Date: 11/03/17 , PM Lender's Fee				-51,125.00	1,218,875.00	
5	11/7/2017	Payee : KH Dunkley Law Group - in trust , Cheque Number: 52022066 , Cheque Date: 11/07/17 , PM Net Mortgage Proceeds				-424,204.40	794,670.60	
6	1/5/2018	Payee : Borden Ladner Gervais LLP , Cheque Number: 52022304 , Cheque Date: 01/05/18 , To transfer funds to general account to pay invoice 697536470				-10,000.00	784,670.60	
7	4/23/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697572443				-4,156.96	780,513.64	
8	5/31/2018	TR FR 443707/000005 to 443707/000006 to Pay BLG Invoice 697586562				-18,076.57	762,437.07	
9	9/7/2018	TR FR 443707/000005 to 443707/000006 client has authorized payment of invoice 697598123 issued on matter 6 from the financing funds held in trust on matter 5				-3,209.56	759,227.51	
Total for Trust Id #4520 CAL - RBC \$CDN Trust (CT05)					Trust Total	759,227.51		
					Held Amount	0.00		
					Available Amount	759,227.51		
Total Canadian Dollars					Trust Total	759,227.51		
					Held Amount	0.00		
					Available Amount	759,227.51		

Borden Ladner Gervais LLP

Trust Detail

Client/Matter/Trust	Tran Date	Hold Date	Amount Type	GIC	Amount	Balance	Next Compound Date
Summary							
<u>Trust Currency</u>			<u>Trust Total</u>	<u>Held Amount</u>	<u>Available Amount</u>		
Canadian Dollars:			\$759,227.51	\$0.00	\$759,227.51		

Patrick Mah
Direct.tel.: (403) 232-9637
e-mail: pmah@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com



File No. 443707-05

November 7, 2017

KH Dunkley Law Group
20, 1915 - 32nd Avenue N.E.
Calgary, AB T2E 7C8

Attention: Khalil Haji

Dear Sir:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC. by HILLSBORO VENTURES INC.
Plan 9811891; Block 8; Lot 1 and Plan 0112710, Lot 1 (the "Properties")

We enclose herewith our firm trust cheque in the sum of \$424,204.40 representing the net mortgage proceeds as detailed in the attached Statement of Disbursement of Mortgage Funds.

1. That you shall immediately pay \$424,204.40 to Fast Track Commercial Inc. in payment for change orders 1/2/3/4/8 as per invoices enclosed herewith.
2. That you will ensure payout and discharge of instrument number(s) 081 071 075 and 161 114 537-8 and provide our office with a certified copy of title(s) evidencing the above within a reasonable period of time.
3. That within a reasonable period of time you will provide us with the following:
 - (a) verification statement evidencing discharge of PPR registration number(s) 16042128403, 16042129029 and 16042819785 for CWB;
 - (b) proof of payment of all outstanding property taxes, arrears and penalties, if any, with respect to the property including property taxes levied in 2017 for Plan 0112710, Lot 1.
4. That you ensure that title insurance policy 171027002133 and 171102001025 are in place and that you have registerable mortgages and are free to utilize same, and you have submitted the same for registration in the following order:
 - (i) For Plan 9811891; Block 8; Lot 1: a) \$1,500,000.00 Mortgage; b) \$3,000,000.00 Mortgage;
 - (ii) For Lot 1, Plan 0112710: a) our Mortgage; and b) our Caveat with Assignments of Rents and Leases;

and in due course you provide us a copy of the titles evidencing the Mortgages and our Caveat as registered.

If you are unable to accept the above trust conditions, you are to return the enclosed cheque to the writer forthwith.


In due course, please provide our office with Certificates of Insurance for the Properties.

We have withheld the sum of \$10,000.00 for our legal fee, disbursements and GST and will provide you with our statement of account in due course.

We confirm our undertaking that we will Postpone our Mortgage and Caveat 171 183 797-8 to the \$1,500,000.00 to be registered.

Yours truly,

BORDEN LADNER GERVAIS LLP



PATRICK MAH
/cb

Legal Assistant: Cecilia Brandao
direct line: 403.232.9524
e-mail: cbrandao@blg.com

Patrick Mah
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File No.: 443707/05

November 3, 2017

HILLSBORO VENTURES INC.
927-7A Street N.W.
Calgary, Alberta T2M 3J4

Attention: Keith Ferrel

Dear Sirs:

Re: Loan to CEANA DEVELOPMENT SUNRIDGE INC.
Plan 9811891; Block 8; Lot 1 and PLAN 0112710, Lot 1

With respect to the above, we enclose our trust cheques as follows:

- 1) \$202,500.00 representing the prepaid interest on this loan.
- 2) \$27,500.00 representing Liberty Fees.
- 3) \$51,125.00 payable to Neotric Enterprises Inc. representing Neotric's fees.

We trust the enclosed to be satisfactory.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in black ink, appearing to be 'Patrick Mah', is written over a horizontal line.

Patrick Mah
Enclosures
PMcb

Legal Assistant: Cecilia Brandao
Email: cbrandao@blg.com
Direct Line: 403-232-9524

Comments for Response to Receiver and HillsBoro(HB)

3-5-21

- I was under Duress which can be proven by email threats from Keith and hand written note and Yasmin has a Doctors note.

WE STAND BY OUR NUMBERS AND ACCOUNTING AND WE DO NOT ACCEPT OR AGREE TO MANAGEMENT FEES AND MONITORING FEES AND ANY OTHER FEES CHANGED ASIDE FROM ORIGINAL BROKER FEE

- Per all mortgage documents there ARE NO monitoring and management fees
- ~~Forbearance agreement~~ - CHECK DOES IT HAVE THIS? (May 2018) *may 16 2018*
- Project was starved of funds from the beginning first mtg and continued to be through every loan

- Receiver needs to remove ALL MANAGEMENT AND MONITORING FEES, PENALTY FEES as these are not valid *(Forebearance Signed on 16 MAY 2018 - IN 2018 work was in June only 2 week)*
- HB was taking management and monitoring fees from the trust account and from interest reserve account, which was depleting the funds
- If he did not take these fees, there would have been enough money in the interest reserve to cover interest and no default. *Ther time kept visitat twice*

- There was also no work being done after ~~may~~ *June* 2018 therefore what was being managed and monitored

- He has shorted trust account significantly and then shorting the interest reserve account

- Monitoring fees are also being added to principle as additional fees which is incorrect
- If these were taken out then interest reserve account would have been fine

- Third loan fees to Neotric should not be charged. We did not have an agreement with Neotric. If HB did not have funds, that is not our problem - REMOVE

- The third loan - more then half was never funded and interest should not be charged on the balance that was never received. \$759,227.51 NEVER RECEIVED.

- They have charged interest on the full 1.5 Million from the beginning -again incorrect

- Receiver still calculating interest on this part of the loan that is still not received.

- Interest is being hugely inflated by monitoring and management and other fees - this has a significant impact on the Shortfall.

- DISPUTING: The difference in the interest sheets alone per above account for a difference of \$1,685,167(HB) - 1,177,153.48(OURS) = 508,013.52

- DISPUTING: Fees disputing from trust accounting = \$138,625

- DISPUTING: monitoring fees from the interest reserve account = \$336,000

- DISPUTING: Additional fees from the trust account = \$303,000

- DISPUTING: ALL EXTRA INTEREST TO DATE AS A RESULT OF THESE FEES THAT SHOULD NOT HAVE BEEN CHARGED

- TOTAL ABOVE (NOT INCLUDING ADDITIONAL INTEREST THAT NEEDS TO BE REMOVED FOR FEES AND DELAY OF BUILDING AND CHANGE OF BUILDING) = \$1,285,638.52

See notg

on back page.

ON LAST PAGE

- ALSO ANY ADDITIONAL FEES SHOULD HAVE BEEN STOPPED WHEN RECEIVER TOOK OVER AND ANY SUBSTANTIAL CHANGES MADE TO THE PLAN
 - Receiver Accounting:
 - o Prepaid interest completely inaccurate as some funds never made it to the account
 - o Interest account was starved due to over excessive and NOT APPROVED management fees and monitoring fees
-
- ACCRUED INTEREST AND FEES OF \$5,995,076 PER RECEIVER COMPLETELY INACCURATE
 - o Per above NO MGMT and monitoring agreed
 - o You have calculated interest on full loan 3 and half WAS NOT FUNDED
 - o Interest over inflated by monitoring and management fees - REMOVE (\$- \$1,285,638.52
 - o Forbrance and legal fees – NOT OUR RESPONSIBILITY (TAKE OUT \$628,725)
 - o Remove monitoring fees (\$613,200)
 - o Additional discrepancy in interest at least \$2,000,000 due to interest being inaccurately charged on above (\$1,285,638.52+628,725+613,200)= \$2,527,563.52. \$2,527,563.52 x 18% for two years then 30% for third year) = 4,575,193.27 owing. Interest difference = \$2,047,629.75. Our revised interest number = \$5,775,651- 2,047,629.75=

Description	Total receiver	Actual (Ours)	Difference
Est interest	\$5,775,651	3,728,021	-2,047,629.75
Forbrance and legal fees	\$628,725	\$NIL	-\$628,725
monitoring fees	\$613,000	\$NIL	-\$613,000
Additional fees remove	\$1,285,638.52	\$NIL	-1,285,638.52
Total Difference (reduction)			-4,574,993.27

PER MY ACCOUNTING, HILLSBORO'S NUMBERS ARE OVER STATED BY THE ABOVE = \$4,527,563.52. FOR SOME REASON, THE RECEIVER HAS AGREED TO HILLSBORO'S NUMBER, WITHOUT FURTHER LOOKING INTO AGREEMENTS AND CALCULATIONS AND HAS MADE FUNDAMENTAL ERRORS IN THEIR CALCULATIONS ARRIVING AT 11 MILLION AS YOU CAN SEE ABOVE.

Bib.

I WOULD THINK THAT THE RECEIVER WOULD HAVE BEEN AN IMPARTIAL THIRD PARTY THAT IS INDEPENDENT AND WOULD EASILY CATCH THESE LARGE ERRORS IN THEIR ACCOUNTING.

CLEARLY, THEY ARE NOT IMPARTIAL AND MY LIFE AND ASSETS ARE ON THE LINE.

AS AN IMPARTIAL RECEIVER, THEY MUST LOOK AT BOTH SETS OF BOOKS AND COMPARE THEM AGAINST EACH OTHER TO FIND DISCREPANCIES. IT SEEMS THAT THEY HAVE JUST BLINDLY ACCEPTED HILLSBORO'S NUMBERS WITHOUT QUESTIONING ANY OF THEM. IT IS NOW UP TO THEM TO TAKE OUR NUMBERS AND PROVE US WRONG. THESE NUMBERS ARE BLACK AND WHITE AND HAVE BEEN CALCULATED SEVERAL TIMES ACCURATELY WITH NO WAVERING.

OUR ASK IS FOR THE RECEIVER TO DO WHAT THEY SHOULD HAVE IN THE FIRST PLACE AND TAKE OUR NUMBERS AS THE CORRECT NUMBERS, AND TRY TO DISPROVE OUR NUMBERS, AS WE STAND BY THEM. THIS IS THE ONLY WAY WE CAN MOVE FORWARD.

IF THEY ARE NOT CAPABLE OR WILLING TO BE IMPARTIAL, THEN THE COURT MUST APPOINT AN INDEPENDENT THIRD PARTY TO REVIEW THE ACCOUNTING FROM OUR BOOKS AND DISPROVE THEM.

Forebarane signed on 16th May 2018 - work was done by (FTC) From June 1st to 15th - Keith was there twice only. HD construction came on site - mobilization on 7th August as steel was delivered on the site on. HD construction worked on site From 7th August till sept 14th and Equipment was picked up - by them at the end of September - He saw Keith there a couple of times.

RESPONSE TO UNDERTAKING NO. 3

[OUTSTANDING - REFUSED]

RESPONSE TO UNDERTAKING NO. 4

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn
Joseph N. Card
M. James Tymchyshyn
Jeffrey B. Woodruff

#100, 2886 Sunridge Way NE
Calgary, Alberta T1Y 7H9
Telephone: 403-291-2532
Fax: 403-291-2534
Real Estate Fax: 403-291-2614

November 27, 2020

File No. 03 9756 015

Via Email: derek.pontin@dentons.com

DENTONS CANADA LLP

15th Floor, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Derek Pontin

Dear Sir:

**RE: Your File No.: 559316-3
Hillsboro Ventures Inc. v.
Ceana Development Sunridge Inc., Bahadur Gaidhar, and Yasmin Gaidhar**

Further to the cross-examination conducted on November 26, 2020 of Mr. Bob Gaidhar, we believe he gave a couple of undertakings. Some can be accomplished immediately, and some will take a couple of days.

We also indicated that we would be back to you by noon today (November 27th) with a response to a couple of questions of which we objected. We apologize for the lateness, but we were otherwise occupied.

We have not seen the transcript, although we expect that upon receipt by you, the Undertakings and disputed questions will be provided immediately.

In the meantime, we believe the first question we objected to was with reference to whether Bob had any family members that had invested in Ceana Sunridge. Bob hesitated to answer the question, but now indicates that his two children, Shameer Gaidhar and Simeen Bhanji, became involved in the company on a limited basis.

Shameer Gaidhar loaned money to the company, which monies were repaid.

Simeen Bhanji invested approximately \$25,000 in the joint venture and she was not repaid.

Other than Yasmin Gaidhar's tangential involvement as Bob Gaidhar's spouse, there are no other family members who were involved.

We believe that the involvement of Shameer and Simeen were both well-known to Mr. Ferrel.

You ask questions in regards to Ceana Sunridge providing pre-Hillsboro list of receivables. We objected and we continue to object as they are not relevant to this proceeding.

You had asked for Ceana Sunridge to produce any general ledgers for the previous years. We have objected and we continue to object that those documents and that information is irrelevant to this proceeding.

If we have missed any questions, please provide the transcript of that questioning to verify.

Yours very truly,

GLENN & CARD LAW LLP


THOMAS F GLENN

Barrister and Solicitor

Email: tfglenn@gclawyers.ca

/tf/cc. Ceana/Gaidhar

Trojanoski, Terry

From: Pontin, Derek on behalf of "Pontin, Derek"
Sent: November 27, 2020 3:15 PM
To: Tanya Fernandez
Cc: Thomas F Glenn
Subject: RE: Hillsboro v. Ceana Sunridge

Hi Tom,

Thank you for your letter. You will have seen my letter to you from earlier, requesting responses to undertakings. To correct a few points you've raised:

- Your undertaking was provided to deliver the pre-receivership financial statements *and general ledger*. Specifically, the undertaking to provide the general ledger was not refused. We look forward to the same.
- In respect of the so-called "pre-Hillsboro list of receivables", this incorrectly characterizes our request. We were/are seeking information to substantiate the actual use of purchaser deposits by Mr. Gaidhar. You have refused to allow him to testify on that point. The transcript reflects this issue adequately. It need not be dealt with further in this correspondence.
- In respect of the monies invested by and then repaid to Shameer, please confirm the following:
 - o Under what terms were the monies invested? Was there a loan agreement? Was there any security?
 - o When did the loan occur? When was it repaid?
 - o Does the loan and repayment appear anywhere on the Receiver's sources and uses analysis?
 - o What funds were used to repay Shameer? Was it funds from Hillsboro financing? Was it purchaser deposits?

I am asking the questions above by email for expediency. You can appreciate Hillsboro would have the right to examine further on refusals and responses to undertakings. If we can obtain the information we are seeking through written correspondence, and have your client's confirmation his answers are provided truthfully and as if he were under oath, we may be able to reduce the amount of further examinations required.

Thank you
Derek

 **Derek Pontin**
Partner

Visit the [New Dynamic Hub](#), available to our clients and communities as part of the commitment that Dentons, the world's largest law firm, is making across 75+ countries, to address accelerating change resulting from the pandemic.

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derek.pontin@dentons.com
[Bio](#) | [Website](#)

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada

[Durham Jones & Pinegar](#) > [LEAD Advogados](#) > [Rattagan Macchiavello Arocena](#) > [Jiménez de Aréchaga, Viana & Brause](#) > [Lee International](#) > [Kensington Swan](#) > [Bingham Greenebaum](#) > [Cohen & Grigsby](#) > [Sayarh & Menjra](#) > [Larraín Rencoret](#) > For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

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RESPONSE TO UNDERTAKING NO. 5

See Response to Undertaking No. 4

RESPONSE TO UNDERTAKING NO. 6

[OUTSTANDING - SEE RESPONSE TO UNDERTAKING
NO. 3 - REFUSED]

RESPONSE TO UNDERTAKING NO. 7

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

Thomas F Glenn
Joseph N. Card
M. James Tymchyshyn
Jeffrey B. Woodruff

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Fax: 403-291-2534
Real Estate Fax: 403-291-2614

December 7, 2020

File No. 03 9756 015

Via Email: derek.pontin@dentons.com

DENTONS CANADA LLP

15th Floor, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Derek Pontin

Dear Sir:

RE: **Your File No.: 559316-3**
Hillsboro Ventures Inc. v.
Ceana Development Sunridge Inc., Bahadur Gaidhar, and Yasmin Gaidhar

Further to yours of November 27, 2020, and your request for Undertakings, we have the following responses:

Undertaking No. 1 – Provide the letter from Torys dated November 6, 2020 inclusive of the attached accounting called "Ceana Development Sunridge Inc. In Receivership".

Answer: Attached.

Undertaking No. 2 – Provide copies of any financial statements.

Answer: Request has been made to the bookkeeper.

Undertaking No. 3 – Provide copies of general ledger.

Answer: Request has been made to the bookkeeper.

Undertaking No. 4 [UNDER ADVISEMENT] – Advise which family members loaned Ceana Sunridge money at the time of acquisition of the lands.

Answer: This Undertaking has been answered.

Undertaking No. 5 [UNDER ADVISEMENT] – Advise how much was borrowed from family members at the time of acquisition of the lands.

Answer: This Undertaking has been answered.

Undertaking No. 6 – Provide copies of the intercompany cheques where monies were loaned to Ceana Sunridge by related companies.

Answer: Request has been made to the bookkeeper.

Undertaking No. 7 [UNDER ADVISEMENT] – Provide documentation (loan documents, security documents, promissory notes, etc.) that substantiates the loans granted from family members.

Answer: Please see accompanying letter. We have requested copies of the cheques from Mr. Shameer Gaidhar's company for \$525,000 paid to Ceana Sunridge of April 2016 and \$525,000 paid from Ceana Sunridge to Mr. Shameer Gaidhar's company of January 2017.

Undertaking No. 8 – Provide a copy of the management agreement between Bob Gaidhar and Ceana Sunridge.

Answer: Provided.

Undertaking No. 9 – Provide copies of any agreements entered into with Mr. Paramjit Gill.

Answer: We understand that Mr. Paramjit Gill is a real estate agent who received fees. A copy of the Agreement has been requested.

Yours very truly,
GLENN & CARD LAW LLP


THOMAS F. GLENN
Barrister and Solicitor
Email: tfglenn@gclawyers.ca

/tf/cc. Ceana/Gaidhar
enclosures

GLENN & CARD LAW LLP

BARRISTERS AND SOLICITORS

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Telephone: 403-291-2532
Fax: 403-291-2534
Real Estate Fax: 403-291-2614

December 7, 2020

File No. 03 9756 015

Via Email: derek.pontin@dentons.com

DENTONS CANADA LLP

15th Floor, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Derek Pontin

Dear Sir:

RE: Your File No.: 559316-3
Hillsboro Ventures Inc. v.
Ceana Development Sunridge Inc., Bahadur Gaidhar, and Yasmin Gaidhar

We understand you have made inquiry of Mr. Gaidhar directly with respect to the loan from and payment to his son, Mr. Shameer Gaidhar.

As we had indicated to you, Shameer Gaidhar had loaned money, through his company, to Bob Gaidhar, through his company in 2016.

We are instructed to respond to your questions as follows:

1. Under what terms were the monies invested?

The monies were not invested. It was a loan to Ceana Development Sunridge Inc. Attached is a signed Promissory Note.

2. Was there a loan agreement?

Yes.

3. Was there any security?

Yes. The Land was the security.

4. When did the loan occur?

It was advanced on the April 28, 2016.

5. When was it repaid?

It was repaid on the Jan 13, 2017

6. Does the loan and repayment appear on the Receiver's sources and uses analysis?

You have the report, so please refer to that.

7. What funds were used to repay Shameer?

There was equity in the project and it was repaid from the equity.

We suggest this responds to your questions.

Yours very truly,

GLENN & CARD LAW LLP

THOMAS F GLENN

Barrister and Solicitor

Email: tfglenn@gclawyers.ca

/tf/cc. Ceana/Gaidhar
enclosure

PROMISSORY NOTE

\$525,000.00

APRIL 26, 2016

FOR VALUE RECEIVED, the undersigned CEANA DEVELOPMENT SUNRIDGE INC., (hereinafter referred to as the "Borrower") hereby, promise to pay to MILLENIUM PLUS HOMES RENOVATION DIVISION LTD., 4206 - 19th Street S.W., CALGARY, Alberta, T2T 4Y3 (hereinafter referred to as the "Lender") the sum of FIVE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS (\$525,000.00) MORE OR LESS, at the City of Calgary, in the Province of Alberta, PAYABLE ON DEMAND OR BY APRIL 26, 2017 which ever comes first. The Borrower further agrees to pay the Lender's solicitor/client costs on a full indemnity basis in the event of default.

In the event of a default, the lender may proceed to obtain judgment and realize under this Promissory Note prior to realizing on any other security, notwithstanding any statutory provisions or case authority to the contrary.

IT IS FURTHER AGREED BY ALL PARTIES hereto that this Note is to become a charge against the following property:

2255 - 32nd STREET NE CALGARY, ALBERTA
PLAN 9811891 BLOCK 8, LOTS 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

Or any other real property which the Promissor(s) may own.

The Borrower hereby waives Notice of Dishonour, Protest and Notice of Protest of the Promissory Note.

DATED at the City of Calgary, in the Province of Alberta, this 26th day of April, 2016.

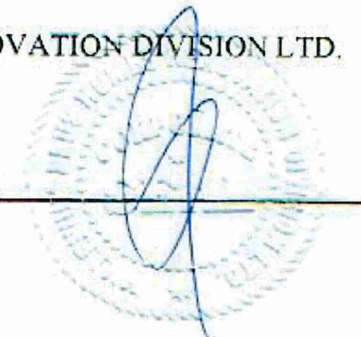
CEANA DEVELOPMENT SUNRIDGE INC.

Per: _____



MILLENIUM PLUS HOMES RENOVATION DIVISION LTD.

Per: _____



RESPONSE TO UNDERTAKING NO. 8

MANAGEMENT, ADMINISTRATION AND CONSULTING SERVICES AGREEMENT

THIS MANAGEMENT AGREEMENT is dated as of the 30th day of April, with effect as of 1stth day of May 2015.

BETWEEN:

Ceana Development Sunridge Inc., a company incorporated under the *Business Corporations Act* of Alberta and having a registered and records office at 2255 32 ST NE, Calgary, in the province of Alberta
(the "**Company**")

AND:

Ceana Development Inc., a company incorporated under the *Business Corporations Act* of Alberta and having a registered and records office at 101, 3115 12 Ave NE, Calgary, in the province of Alberta
(the "**Manager**" or ("**Ceana**")

WHEREAS:

- A. The Company is the registered owner of the lands
- B. The Manager has an established history of commercial constructing
- C. The Company wishes to appoint the Manager as the manager, administrator and consultant of the Company in respect to the building and development for the purposes set out herein and the Manager has agreed to accept such appointment.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants contained in this Agreement, the parties to this Agreement covenant and agree each with the others as follows:

1. Interpretation

1.1 Definitions. The following words shall, whenever used in this Agreement, have the following meanings:

- (a) "**Affiliate**" of a corporation means a corporation that is affiliated with a first-mentioned corporation and governed by and construed in accordance with the laws of the Province of Alberta;
- (b) "**Business Day**" means any day except Saturday, Sunday or a statutory holiday and if any action is called for by this Agreement to be completed on a day which is not a Business Day, such action shall be completed on the first Business Day thereafter;
- (c) "**Encumbrance**" means any encumbrance of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any Mortgage, lien, easement, right-of-way, encroachment, restrictive or statutory covenant, profit a prendre, right of re-entry, lease, licence, assignment, option or claim, or right of any Person of any kind which may constitute or become by operation of law or otherwise an encumbrance on any of the Lands;
- (d) "**Fee**" Monies earned for rendering management services
- (e) "**Joint Financing**" means financing arranged by Ceana Development Sunridge
- (f) "**Lands**" means the lands described in Schedule A (which may be modified by mutual agreement of the parties hereto, whether in writing or otherwise) and all benefits, covenants, easements, emoluments, franchises, immunities, licences,

privileges, profits, rights, rights of way and servitudes now or in future appertaining to those lands;

- (g) **"Mortgage"** means any mortgage, charge, pledge, hypothec, lien, security interest or other encumbrance;
- (h) **"Person"** means an individual, corporation, body corporate, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative;
- (i) **"Project"** means the development of the Lands
- (j) **"Project Manager"** means, at any time, Ceana Development Inc or other Person appointed and then serving as the Project Manager;
- (k) **"Required Funds"** has the meaning as monies required

1.2 Interpretation. In this Agreement:

- (a) the headings are for convenience only and do not form a part of this Agreement;
- (b) the singular of any term includes the plural, and vice versa, the use of any gendered term is applicable to any gender and, where applicable, a corporation, the word "or" is not exclusive and the word "including" is not limiting whether or not non limiting language (such as "without limitation" or but not limited to" or words of similar import) is used with reference thereto.

1.3 Schedules. The following are the Schedules to this Agreement:
Schedule A—Lands

1.4 Governing Law. This Agreement and all matters arising under it will be governed by and construed in accordance with the laws of Alberta.

2. Appointment of the Manager

2.1 The Company hereby appoints the Manager as the sole and exclusive manager of the Company for the purposes of building, development, obtaining sales, administration, consulting and management services with respect to the Project and Lands. This agreement supersedes any previous agreements between the Company and Manager.

2.2 The Manager will provide the Management Services in a competent, professional and efficient manner, will expend the time necessary to properly perform the Management Services and will act in the best interests of the Company in performing the Management Services.

2.3 The Manager will determine the manner and procedure of the performance of the Management Services, subject to reasonable requirements of the Company.

2.4 Subject to the terms of this Agreement, the Manager is free to provide services to other businesses or persons provided that doing so does not materially impair the performance of the Management Services hereunder.

3. Disclaimer of Partnership and Joint Venturer

The Manager and Company expressly disclaims any intention to create a partnership or to constitute this as a Joint Venturer. The Manager is simply a Manager.

4. Management Services

In the course of performing the Management Services, the Manager agrees to, for and on behalf of the Company:

- (a) design rationale for the Project, including densities, architectural themes, use, layout and like matters, subject always to municipal control;
- (b) development budget and any material changes thereto;
- (c) operating budget and any material changes thereto;
- (d) marketing program for the Project;
- (e) designation of the architect, engineers and other consultants
- (f) the form and content of plans and specifications for the Project;
- (g) helping to arranging all forms of financing for the Project
- (h) the final form of the tendering package for the Project or any portion of the Project;
- (i) the choice of contractors providing construction services
- (j) coordinating rezoning of the Lands and supervising activities of consultants;
- (k) supervising the architect and consulting engineers with respect to the development of plans and specifications;
- (l) supervising the construction tendering process and awarding all contracts;
- (m) liaising with planners and inspectors and other bodies having jurisdiction over the rezoning and development of the Lands;
- (n) liaising with neighbouring property owners and tenants to promote goodwill and to coordinate the development of the Project with such adjacent property owners;
- (o) advising the Company and providing services in respect of scheduling for contractors and others;
- (p) arranging applications for permits;
- (q) providing site supervision;
- (r) acquiring, retaining and maintaining the tools necessary for the completion of the Project;
- (s) helping to establishing credit accounts with suppliers;
- (t) providing marketing services for the Project, including the use of a show home, in the discretion of the Project Manager;
- (u) helping to obtain sales for the project
- (v) hiring employees to be employed by the Company, for the purpose of providing management, human resources, administrative, financial or other services if needed;
- (w) applying for policies of insurance to be held in the name of the Company considered necessary or desirable by the Manager to protect the Company from liability, damage or loss in respect of the Lands, including builder's risk insurance and liability insurance;
- (x) assuring that any contractor performing work on the Lands maintains satisfactory performance bonding, workers' compensation insurance and insurance against liability for injury to persons and property caused by that contractor;
- (y) preparing upon reasonable notice from the Company (but no more frequently than every other month) reports of the state of the Lands which describe the progress made towards the completion of development of the Lands.
- (z) carrying out other activities as would normally be carried out by a developer in connection with the development of a project of the size, type and location of the Lands,
- (aa) At times use the Manager or its Directors accounts and credit to purchase or supply product or services towards the project. These will be paid in accordance to section 5
- (bb) The Manager will provide warranty for the Project as per the Alberta Government New Warranty Guidelines and Requirements
These can be modified verbally if agreed by the Company and the Manager.

5. Contributions from the Manager

The Manager from time to time may use its credit and facilities for a Project. Any contributions from the Manager or any of its Directors by way of credit accounts, credit card, suppliers or any monies will be paid

immediately by the Company in the form of a Cheque or a direct payment to the Manager, Supplier or Creditor. This will be done at the discretion of the Manager. These expenditures will belong to the Company including any and all sales tax credits and be deemed as an expense of the Company.

6. Duties of the Company

6.1 The Company will pay the Manager a Management Fee of not more than 25% (twenty five percent) of the final sale price of the project. The Company and Manager agree that the fee will not exceed the difference between the sale price of the units minus the cost of construction and land. This Fee is based on the site management, planning, coordination and the sales of the project. These will be invoiced by the Manager. The timing of the invoice will be at the full discretion of the Manager. This will be done either at the fiscal year end of the Manager or at the end of the project. This Fee will include a minimum of 160 hours of management services per month. Any additional time required to complete the management services, will be done so at an effective hourly rate of \$400 per hour. Management fees can be paid to Ceana Development Inc or any part of Ceana Group and or any company at the managers discretion.

6.2 The Company will pay directly or reimburse the Manager for all expenses reasonably incurred by the Manager in performance of the Management Services in circumstances where the amount of the Funds is insufficient for this purpose.

6.3 The Company will pay or cause to be paid in a timely manner all expenses and costs.

6.4 The Fee will not include any applicable federal or provincial goods and services, value added or sales taxes. The Manager agrees not to remit or claim any applicable federal or provincial goods and services, value added or sales taxes for the Fee. The Company agrees not to claim or remit any applicable federal or provincial goods and services, value added or sales taxes for the Fee.

6.5 The Company will be responsible for paying all invoices and managing the accounting for the Project.

6.6 Interim loans, however they must be clearly labeled as loans to be considered, can be taken at the Company and Managers discretion for the purpose of operations. These are not a Fee and must be returned upon demand from the Company. The Manager and Company agree that any monies owing will be deducted from the invoice when issued.

7. Non-Exclusive License

The Manager hereby grants to the Company a non-exclusive license to use any and all trademarks, trade names, brands, business names, designs, graphics, logos and other commercial symbols and indicia of origin, and any goodwill associated therewith, owned by or licensed to the Manager (the "Manager Marks") for the purpose of the Company performing its obligations under this Agreement. The Company will use the Manager Marks in accordance with any guidelines for the usage thereof provided in notice by the Manager to the Company at any time and from time to time. The Manager will retain all right, title and interest in the Manager Marks and nothing in this Agreement will convey to the Company any right of ownership in the Manager Marks.

8. Independent Contractor

The relationship constituted under this Agreement is that of an independent contractor only. This Agreement shall not be interpreted or construed to create a joint venture, partnership or employment relationship between the parties or to impose any liability attributable to such a relationship upon either party.

9. Indemnity

The Company will indemnify and save harmless the Manager from and against any and all damages, claims, demands, costs, actions, suits or liabilities which the Manager may suffer or incur or be put to arising out of or in connection with its acting as the Manager in respect of the Project, except that nothing herein will require the Company to indemnify the Manager for any damages, claims, demands, costs, actions, suits or liabilities which the Manager may suffer or incur or be put to arising out of or in connection with any negligence of the Manager or any breach by the Manager of the terms of this Agreement.

10. Limitation of Liability

10.1 The Manager shall not be liable for any damages, whether punitive or otherwise, in contract, tort (including, without limitation, negligence and breach of statutory duty, but excluding any instance of gross negligence), or otherwise howsoever, as a result of the Manager's, or the Manager's agent's or employee's, acts or omissions arising by reason of or in connection with this Agreement and the Management Services provided hereunder.

10.2 In the event that any liability is determined by a court of competent jurisdiction with respect to the Management Services provided hereunder, the liability of the Manager, or any agent or employee of the Manager, shall be limited to the Manager's fees earned pursuant to this Agreement.

11. Arbitration

All disputes, controversies and differences which may arise under this Agreement between the Company and the Manager that cannot be resolved between them shall be settled by arbitration pursuant to the *Arbitration Act* of Alberta. Any party desiring arbitration shall make a written demand for the same and within thirty days after the other party has received such written demand the Manager and the Company shall agree upon and appoint a single arbitrator. In the event the parties shall fail to agree upon and appoint a single arbitrator within the time period set forth herein, then within ten days thereafter the Manager shall designate an arbitrator and the Company shall designate an arbitrator and both arbitrators shall within thirty days after their designation jointly designate a third arbitrator satisfactory to them who shall be chair of the arbitration panel. If the Manager or the Company fails to appoint an arbitrator or the arbitrators designated by these two parties are unable to agree upon the selection of the third arbitrator within the time periods set forth above, such arbitrator shall be appointed by a judge of the Supreme Court of Alberta. The expenses of the arbitrators shall be paid as the arbitrators shall decide in the award. All arbitration proceedings shall be in Calgary, Alberta Canada. The decision of the arbitrators shall be final and binding on the parties and judgment upon any award rendered may be entered in any court of competent jurisdiction.

12. General

12.1 Time is of the essence in the performance of this Agreement.

12.2 The term of this Agreement shall commence on the date hereof and will continue until terminated by notice in writing by either party to the other, after which this Agreement will cease to operate.

12.3 Any notice or other document required or permitted to be given hereunder will be considered well and sufficiently given by hand delivery or by prepaid first class mail addressed to the addresses of the parties herein written or to such other address as either party may from time to time appoint by notice in writing to the other in accordance with this paragraph. Any notice delivered by hand addressed as aforesaid will be deemed to have been delivered on the day of delivery, and any notice mailed by first class prepaid mail addressed as aforesaid will be deemed to have been received three (3) business days after the mailing thereof, but if at the time of mailing or between the time of mailing and the third business day thereafter, there is a strike, lock-out or labour disturbance affecting postal service, then such notice will not be effectively given until actually received.

12.4 This Agreement will be governed by and interpreted in accordance with the laws of the Province of Alberta.

12.5 The Manager may not assign its rights and obligations hereunder without the express written consent of the Company.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the date first above written.

By the Company:

Ceana Development Sunridge Inc

Per: 
Authorized Signatory

By the Manager:

Ceana Development Inc

Per: 
Authorized Signatory

RESPONSE TO UNDERTAKING NO. 9

[OUTSTANDING]