



**No. S-244252**

**Vancouver Registry**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN:**

**THE UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK, and  
AMERICAN HOME ASSURANCE COMPANY**

**PETITIONERS**

**AND:**

**SCREO I METROTOWN INC., and SCREO I METROTOWN L.P.**

**RESPONDENTS**

**SECOND REPORT OF THE RECEIVER**

**ALVAREZ & MARSAL CANADA INC.**

**MARCH 5, 2025**

## TABLE OF CONTENTS

|     |                                                                     |       |
|-----|---------------------------------------------------------------------|-------|
| 1.0 | INTRODUCTION .....                                                  | - 2 - |
| 2.0 | PURPOSE OF THE SECOND REPORT .....                                  | - 3 - |
| 3.0 | RECEIVER'S INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS.... | - 3 - |
| 4.0 | TIMBERCREEK CLAIM.....                                              | - 4 - |
| 5.0 | RECEIVER'S REQUEST FOR DIRECTIONS .....                             | - 6 - |

### **Appendices**

Appendix A - Gill Loan Agreement  
Appendix B - SCREO 700 Loan Agreement  
Appendix C - Gill Extension  
Appendix D – SCREO 700 Extension  
Appendix E – Assignment Agreements

## 1.0 INTRODUCTION

- 1.1 On July 8, 2024 (the “**Receivership Date**”), upon application of The United States Life Insurance Company In The City of New York and American Home Assurance Company (collectively, the “**Petitioners**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as Receiver (the “**Receiver**”) pursuant to a receivership order (the “**Receivership Order**”) granted by the Honourable Justice Brongers on that day, of the real property legally described as PID 031-357-881, Lot 1 District Lot 153 Group 1 New Westminster District Plan EPP107270 (the “**Real Property**”) owned by (i) SCREO I Metrotown Inc. (the “**Legal Owner**”), and (ii) SCREO I Metrotown L.P. (the “**Beneficial Owner**”, and together with the Legal Owner, the “**Debtors**”), together with all of the assets, undertakings and property, both real and personal, located at, relating to or used in connection with the Real Property and all proceeds thereof (collectively, the “**Property**”), including the beneficial ownership interest in and to such property, whether held directly or indirectly by the Beneficial Owner for itself or for others. This matter is hereinafter referred to more generally as, the “**Receivership Proceedings**”.
- 1.2 The Debtors are special purpose vehicles that are affiliated with Slate Canadian Real Estate Opportunity Fund I L.P. (“**Slate CREO Fund**”). The Debtors were formed to acquire and develop two vacant office towers located in 4330 Kingsway Avenue and 5945 Kathleen Avenue, Burnaby, British Columbia (collectively, the “**Towers**”). The Debtors have no other business activity apart from being the owner of the Towers.
- 1.3 On November 7, 2024, upon application by the Receiver, this Honourable Court granted an order (the “**Approval and Vesting Order**”), which, among other things:
- a) approved the sale of the Real Property to the City of Burnaby (the “**Transaction**”);
  - b) empowered and authorized the Receiver to assign the Debtors into bankruptcy;
  - c) authorized the Receiver or its legal counsel, Dentons Canada LLP (“**Dentons**”), to repay all indebtedness owing to the Petitioners from the proceeds of the Transaction;
  - d) authorized the Receiver or Dentons to pay the real estate broker’s commission upon the closing of the Transaction; and
  - e) approved the statement of receipts and disbursements and the activities of the Receiver as set out in the First Report of the Receiver dated October 30, 2024 (the “**First Report**”).
- 1.4 The Transaction closed on November 22, 2024 and the Receiver’s Certificate was filed with this Honourable Court on November 25, 2024. As a result of the Transaction, the Petitioners’ debt and the Receiver’s borrowings were repaid in full.

- 1.5 There is approximately \$11.4 million in proceeds from the sale of the Real Property (the “**Proceeds**”) left to be distributed to any creditors of the Debtors, subject to disbursements from the estate (including professional fees).
- 1.6 Concurrent with the filing of this Second Report of the Receiver (the “**Second Report**”), the Receiver filed an application with this Honourable Court seeking directions to adjudicate a secured claim asserted by Timbercreek Mortgage Servicing Inc. (“**Timbercreek**”).
- 1.7 The Receivership Order along with select application materials and other documents filed in the Receivership Proceedings are available for review by interested parties and posted on the Receiver’s website at [www.alvarezandmarsal.com/screometrotown](http://www.alvarezandmarsal.com/screometrotown).

## **2.0 PURPOSE OF THE SECOND REPORT**

- 2.1 This is the second report of the Receiver (the “**Second Report**”) and has been prepared to provide this Honourable Court with information regarding the following:
- a) the Receiver’s interim statement of receipts and disbursements for the period from October 26, 2024 to December 31, 2024;
  - b) the claim from Timbercreek; and
  - c) the Receiver’s request for directions.

## **3.0 RECEIVER’S INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

- 3.1 The Receiver’s interim statement of cash receipts and disbursements for the period July 8, 2024 to December 31, 2024 (the “**Reporting Period**”) is summarized in the table below:

**SCREO I Metrotown Inc. and SCREO I Metrotown LP**  
**Interim Statement of Cash Receipts and Disbursements**  
**For the period July 8, 2024 to December 31, 2024**  
**\$000's**

**Receipts**

|                         |                   |
|-------------------------|-------------------|
| Receiver's borrowings   | \$ 400,000        |
| Sale of assets          | 11,370,391        |
| Rent and other receipts | 9,407             |
| <b>Total receipts</b>   | <b>11,779,798</b> |

**Disbursements**

|                                   |                |
|-----------------------------------|----------------|
| General and administrative        | 193            |
| Security                          | 14,036         |
| Repairs and maintenance           | 41,273         |
| Utilities                         | 42,032         |
| Insurance                         | 57,717         |
| Property management               | 30,669         |
| Receiver's fees and disbursements | 125,089        |
| Legal fees and disbursements      | 47,565         |
| Professional fees                 | 17,504         |
| GST paid on disbursements         | 15,785         |
| PST paid on disbursements         | 3,634          |
| <b>Total disbursements</b>        | <b>395,497</b> |

**Net cash flow (deficit)** **\$ 11,384,301**

**Cash position**

|                         |                      |
|-------------------------|----------------------|
| Opening cash            | -                    |
| Net cash flow (deficit) | 11,384,301           |
| <b>Closing cash</b>     | <b>\$ 11,384,301</b> |

**3.2 During the Reporting Period:**

- a) total receipts of approximately \$11,779,798 were primarily comprised of net proceeds from the Transaction, funds received from the Receiver's borrowings (repaid in full from gross proceeds from the Transaction), parking rent and interest income;
- b) total disbursements approximating \$395,497 consisted primarily of property management fees, utilities and security services to maintain the Towers, as well as the Receiver's fees and its legal counsel fees to attend to, among other things, statutory and general matters in respect of the Receivership Proceedings and sales and marketing matters.

**4.0 TIMBERCREEK CLAIM**

- 4.1 As noted in the First Report of the Receiver dated October 30, 2024, the Receiver is aware of a financing statement against the Debtors in favour of Computershare Trust Company of Canada, in its capacity as agent, nominee and bare trustee for Timbercreek.

- 4.2 Based on the information received from Timbercreek’s counsel, the Receiver understands that the security registration is related to the following two loan agreements:
- a) loan agreement (the “**Gill Loan**”) between Timbercreek (as lender) and SCREO I Gill Inc. (“**Gill**”) as debtor, with maximum facility amount of \$30.2 million, to facilitate the acquisition of two towers (Joffre Place and Life Plaza) located in Calgary, AB; and
  - b) loan agreement (the “**SCREO 700 Loan**”) between Timbercreek (as lender) SCREO I 700 2nd Inc. and 58508 Alberta Ltd. (collectively, “**SCREO 700**”) as debtors, with the aggregate maximum facility amount of \$161.3 million, in relation to the equity take-out and repositioning of certain office towers (Stephen Avenue Place) located in Calgary, AB.
- 4.3 The Gill Loan is attached hereto as **Appendix “A”**.
- 4.4 The SCREO 700 Loan is attached hereto as **Appendix “B”**.
- 4.5 There were two separate extension agreements entered into on or about December 1, 2022 for each of the abovementioned loan agreements, the “**Gill Extension**” and the “**SCREO 700 Extension**”.
- 4.6 The Gill Extension was conditional on, among other things, the “Indebted Parties” providing an assignment of proceeds from the Debtors with respect to the Real Property. Under that extension, Gill agreed to (among other things) make certain prepayments of its obligations, including up to \$2,000,000 from the net sale proceeds of the Real Property, subject to a maximum of \$6,500,000 in connection with the assignment of net sale proceeds for the Dixie Outlet Mall, a shopping mall located in Mississauga, ON.
- 4.7 The Gill Extension is attached hereto as **Appendix “C”**.
- 4.8 The SCREO 700 Extension was conditional on, among other things, the “Indebted Parties” providing an assignment of proceeds from the Debtors with respect to the Real Property, and an undertaking to provide a limited guarantee, mortgage and beneficial charge from the Debtors. Under that extension, the Debtors agreed to (among other things) make certain prepayments of its obligations, including up to \$15,000,000 from the net sale proceeds of the Real Property, subject to a maximum of \$30,000,000 in connection with the assignment of net sale proceeds for the Dixie Outlet Mall.
- 4.9 The SCREO 700 Extension is attached hereto as **Appendix “D”**.
- 4.10 The Debtors executed the following assignment of proceeds agreements (the “**Assignment Agreements**”), in relation to the aforementioned agreements with Timbercreek:

- a) Assignment of proceeds dated July 11, 2023, among the Debtors, as assignors, and Computershare Trust Company Of Canada as agent, nominee and bare trustee for and on behalf of Timbercreek, as assignee, pursuant to which the Debtors assigned the sales proceeds from the sale of the Real Property as security for the obligations of the Gill Indebted Parties pursuant to the Gill Loan and the Gill Extension (the “**Gill Assignment**”); and
- b) Assignment of proceeds dated July 11, 2023, among the Debtors, as assignors, and Computershare Trust Company Of Canada as agent, nominee and bare trustee for and on behalf of Timbercreek, as assignee, pursuant to which the Debtors assigned the sales proceeds from the sale of the Real Property as security for the obligations of the SCREO 700 Indebted Parties pursuant to the SCREO 700 Loan and the SCREO 700 Extension (the “**SCREO 700 Assignment**”).

4.11 Copies of the Assignment Agreements are attached hereto as **Appendix “E”**.

4.12 In light of the amount of the Proceeds, and pursuant to the foregoing assignments, Timbercreek has a claim of up to \$17,000,000, subject to the net proceeds (if any) realized from the sale of the Dixie Outlet Mall, and any other repayments made from and after December 1, 2022 (the “**Timbercreek Claim**”).

## **5.0 RECEIVER’S REQUEST FOR DIRECTIONS**

5.1 In light of the power granted to the Receiver under the Approval and Vesting Order, the Receiver has two options available to it to effect a distribution of the Proceeds:

- a) an order and direction from the Court that the Proceeds be distributed to Timbercreek, in accordance with the Assignments, up to the amount of the Timbercreek Claim; or
- b) exercise its power to assign the Debtors into bankruptcy and administer a claims process in accordance with the procedures and distribution regime prescribed by the *Bankruptcy and Insolvency Act*.

5.2 However, the Receiver believes there is a risk that proceeding with either approach would result in prejudice to remaining creditors. Specifically, if it distributes the Proceeds to Timbercreek, then there may be no funds left to form an estate of the Debtors in bankruptcy. However, if it assigns the Debtors into bankruptcy, it may prejudice Timbercreek’s interest, as they may not have a basis to participate in a distribution scheme in bankruptcy proceedings.

5.3 The Receiver acknowledges its duty to balance the interests of all creditors in these proceedings, and as such, is seeking directions from this Honourable Court with respect to how to proceed.

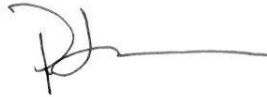
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All of which is respectfully submitted to this Honourable Court this 5<sup>th</sup> day of March, 2025.

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Receiver of  
SCREO I Metrotown Inc. and SCREO I Metrotown L.P.



Per: Anthony Tillman  
Senior Vice President



Per: Pinky Law  
Vice President



## **Appendix A - Gill Loan Agreement**

## LOAN AGREEMENT

THIS LOAN AGREEMENT is made as of November 9, 2018

BETWEEN:

SCREO I GILL INC.  
as "Borrower"

-and-

SLATE CANADIAN REAL ESTATE OPPORTUNITY FUND I L.P.  
as "Guarantor"

-and-

TIMBERCREEK MORTGAGE SERVICING INC.  
as "Lender"

**WHEREAS** the Lender, at the request and on behalf of the Borrower, has arranged to provide loan facilities to assist the Borrower with the acquisition and re-positioning of real estate assets;

**NOW THEREFORE** the parties hereto agree as follows:

### Section 1 DEFINITIONS

#### 1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Acquisition Facility" has the meaning given thereto in Section 2.1.

"Acquisition Facility Amount" means, the lesser of:

- (a) \$30,200,000.00; and,
- (b) 65% of the lesser of:
  - (i) The base acquisition cost of Joffre Place and Life Plaza, being the aggregate purchase price before customary closing adjustments; and
  - (ii) current "as is" appraised value of Joffre Place and Life Plaza as both may be determined by the Lender, acting reasonably.

"Adjusted Net Operating Income" means, with respect to the Secured Properties and for a given period, the sum of the following (without duplication), calculated on a pro forma basis to the satisfaction of the Lender, acting reasonably:

- (a) rents, expense recoveries, and other revenues received in the ordinary course from the leasing or operating of the Secured Properties based on an annualized

rent roll of tenants in place (for greater clarity, the in place rent roll of a particular month, annualized) and not in default, plus

- (b) rents, expenses recoveries, and all other revenues related to New Tenants, calculated as if the New Tenant is in place on the Lease Execution Date and paying starting base and estimated additional rent as of the Lease Execution Date, regardless of free rent periods (base or gross free rent) provided for in the lease, minus
- (c) all expenses paid or accrued related to the ownership, operation or maintenance of such Secured Properties, including but not limited to Taxes (other than Taxes comprised of income and corporation taxes), assessments and other similar charges, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses and on site marketing expenses, but in any event excluding amortization and depreciation, and general and administrative expenses.

Notwithstanding the above definition, if a New Tenant has been granted an in-term free rent period longer than the Waived Free Rent Period, the incremental in-term free rent period (above the Waived Free Rent Period) will be added to that New Tenant's respective Lease Execution Date for the purposes of the calculation, at the Lender's discretion, acting reasonably

**"Advance"** means a borrowing by the Borrower from the Lender and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Advances at a particular point in time.

**"Applicable Laws"** means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority, in each case to the extent having the force of law (collectively, the "Law") relating or applicable to such Person, property, transaction, event or other matters and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation.

**"Appraisal"** shall mean a report prepared by an accredited Person acceptable to the Lender who has been selected to perform an appraisal, or to review existing appraisals prepared by other appraisers, of one or more of the Secured Properties.

**"Appraised Value"** means the appraised value of the relevant Secured Property as set forth in the most recent Appraisal received by the Lender in respect of such Secured Property.

**"Beneficial Owner"** means SCREO I GILL L.P.

**"Borrower"** means SCREO I GILL Inc.

**"Business Day"** means a day of the year, other than Saturday or Sunday, on which banks are open for business in Toronto, Ontario.

**"Canadian Dollars"** means the lawful money of Canada.

**"Capital Expenditures"** means the costs incurred from time to time by the Borrower in connection with the repair or replacement of capital items, as identified in the Repositioning Costs budget provided by the Borrower and approved by the Lender, acting reasonably, and limited to the amount for each Secured Property as identified in the definition of "Repositioning Costs".

**"Change of Control"** means if the Borrower ceases to be controlled, directly or indirectly, by Slate Canadian Real Estate Opportunity Fund I or any other change of ownership, control, transfer or sale of either of the Secured Properties, or part thereof without the Lenders prior written consent, which consent shall not be unreasonably withheld.

**"Closing Date"** means November 13, 2018 or such other date as may be agreed to by the parties.

**"Control"** means the possession directly or indirectly of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

**"Custodian"** means Computershare Trust Company of Canada, as agent, bare trustee for and on behalf of the Lender.

**"Debt Capitalization Rate"** means, with respect to any period, the ratio of Adjusted Net Operating Income to the Advances outstanding at that time.

**"Default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default.

**"Documents"** means this Agreement, the Security and all security documents and certificates and other documents delivered, or to be delivered to the Lender pursuant to or in connection with this Agreement.

**"Event of Default"** has the meaning set out in Section 10.1.

**"Facility"** means either the Acquisition Facility or the Repositioning Facility, and **"Facilities"** means both of such facilities.

**"Encumbrance"** means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of such Person's property.

**"Environmental Laws"** means all Applicable Laws, by-laws, rules, regulations, orders, judgments, ordinances, protocols, codes, guidelines, policies, notices and directions, all to the extent the same are enforceable, relating in whole or in part to the protection of the environment and occupational health and safety matters, and includes, without limitation, those Environmental Laws relating to the storage, generation, use, handling, transportation, treatment, Release and disposal of Hazardous Substances.

**"Good Faith Deposit"** means the sum of \$100,000.00 referred to in Section 12.4.

**"Governmental Authority"** means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or

legislature, or any political subdivision thereof, or any court or, without limitation, any other law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant circumstances, or any person acting under the authority of any of the foregoing (including, without limitation, any arbitrator with the authority to bind the parties at law) or any other authority charged with the administration or enforcement of applicable laws.

**"Guarantor"** means Slate Canadian Real Estate Opportunity Fund I L.P.

**"Hazardous Substances"** means any substance that is discharged or released into the natural environment in contravention of applicable federal, provincial, or municipal laws that is likely to cause at some immediate or future time, material harm or degradation to the natural environment or injury, harm or material discomfort to any person and without restricting the generality of the foregoing, includes urea formaldehyde, asbestos, PCBs, radioactive materials, hazardous waste or dangerous goods that are regulated by applicable federal, provincial or municipal laws for the protection of the natural environment or human health.

**"Interest Adjustment Date"** means December 1, 2018.

**"Interest Payment Date"** means January 1, 2019 and the 1<sup>st</sup> day of each calendar, month thereafter except, where such date is not a Business Day, the Interest Payment Date shall be the next Business Day thereafter.

**"Interest Rate"** means the floating rate equal to the TD Prime Rate + 2.55% calculated and payable monthly for the first thirty-five (35) months of the Loan Term, subject to a floor rate equal to the TD Prime Rate at the time of the initial advance of the Loan + 2.55% increasing to the TD Prime Rate + 4.55% thereafter unless a renewal is granted pursuant to the terms and conditions of the Renewal Option.

**"Joffre Place"** means the 6 storey multi-tenant Class B office building erected in 1980 and renovated in 2015 comprising 107,252 square feet of net leasable area and as further described on Schedule "A".

**"GLA"** means gross leasable area.

**"Lease Execution Date"** means the date when the applicable lease document is executed.

**"Leases"** means (i) all present and future leases, agreements to lease, licenses or other agreements in respect of each and every present and future tenancy, right of use or occupation of or license granted by the Borrower in respect of all or any part of any Secured Property, as they may be extended or renewed or replaced; (ii) any agreement whether written or oral amending any of the foregoing; and (iii) any present and future guarantee of or indemnity with respect to a tenant's Lease obligations whether included in a Lease or contained in a separate instrument.

**"Lender"** means Timbercreek Mortgage Servicing Inc.

**"Life Plaza"** mean the 18 storey multi-tenant Class B office building erected in 1980 (and renovated in 1993) comprising 236,653 square feet of net leasable area and as further described in Schedule "A".

**"Loan"** means the total advances made under the Facilities.

**"Loan Fee"** means the sum of \$414,070.00, being 1% of the maximum amount of the Facilities and payable in accordance with section 2.7.

**"Material Adverse Change"** means the occurrence of a material adverse change in the position and condition, financial or otherwise, of any Obligor, the Secured Properties or an Obligor's title to one or more Secured Properties as determined by the Lender, acting reasonably, which would be reasonably expected to materially impair the ability of any Obligor to timely and fully perform its obligations under this Agreement or any other Document to which it is a party or would be reasonably expected to materially impair the ability of the Lender to enforce its rights and remedies under the Security.

**"Material Licenses"** means all licenses, permits or approvals issued by any Governmental Authority to any Obligor, and which are at any time on or after the date of this Agreement,

- (a) necessary or material to the business and operations of such Obligor or to the listing of its securities, the breach or default of which would result in a Material Adverse Change, or
- (b) designated by the Lender as a Material License, provided that the Lender has notified the Borrower of such designation.

**"Maturity Date"** means December 1, 2021.

**"New Tenants"** means any tenant for which a lease is executed but the tenant is not occupying and paying base and additional rent as of or after the Closing Date.

**"Obligors"** means the Borrower and the Guarantor.

**"Obligations"** means all present and future debts, liabilities and obligations of the Obligors to the Lender under this Agreement, the Security or any other Documents.

**"Permitted Encumbrances"** with respect to any Secured Property or asset means:

- (a) encumbrances for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with a Secured Property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing;
- (b) subdivision agreements, site plan control agreements, development agreements, servicing agreements, utility agreements and other similar agreements with Governmental Authorities or public utilities that do not materially impair the current use, operation or marketability of a Secured Property;
- (c) restrictive covenants, private deed restrictions, and other similar land use control agreements that do not materially impair the current use, operation or marketability of a Secured Property;
- (d) minor encroachments by a Secured Property over neighboring lands and/or permitted under agreements with neighboring landowners and minor encroachments over a Secured Property by improvements of neighboring

landowners and/or permitted under agreements with neighboring landowners that, in either case, do not materially impair the current use, operation or marketability of a Secured Property;

- (e) any subsisting reservations, limitations, provisos, conditions or exceptions, including royalties, contained in the original grant of a Secured Property from the Crown;
- (f) all Leases, any caveats relating to the Leases, registrations and notices, with respect to the Leases, including any exclusivity provisions, restrictive covenants and other rights contained therein, and leasehold mortgages or security interests relating to any tenant secured by such tenant's interest in its Lease or leased premises;
- (g) the provisions of all applicable laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning that do not materially impair the current use, operation or marketability of a Secured Property;
- (h) any minor title defects, irregularities, easements, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to a Secured Property as disclosed by the plan of survey, certificate of location or technical description;
- (i) the implied conditions and reservations contained in Sections 61(1) and 62 of the *Land Titles Act (Alberta)*, R.S.A. 2000, Chapter L.4, as amended;
- (j) any rights of expropriation, access or user or any other similar rights conferred or reserved by or in any statutes of Canada or the Province of Alberta;
- (k) any unregistered easements regarding the provisions of utilities to a Secured Property which do not materially impair the current use, operation or marketability of a Secured Property;
- (l) permits, licenses, agreements, easements, (including, without limitation, heritage easements and agreements relating thereto), restrictions, restrictive covenants, rights-of-way, public ways, rights in the nature of an easement and other similar rights in the land granted to or reserved by other persons (including, without in any way limiting the generality of the foregoing, permits, licenses, agreements, easements, rights-of-way, sidewalks, public ways, and rights in the nature of easements or servitudes for sewers, drains, steam, gas, and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the current use, operation or marketability of a Secured Property;
- (m) security given to a public utility or any municipality or governmental or other public authority when required by the operations of a Secured Property in the ordinary course of business, including, without limitation, the right of the municipality to acquire portions of a Secured Property for road widening or interchange construction and the right of the municipality to complete

improvements, landscaping or remedy deficiencies in any pedestrian walkways or traffic control or monitoring to be provided to a Secured Property;

- (n) undetermined or inchoate liens incidental to construction, renovations or current operations, a claim for which shall not at the time have been registered against a Secured Property or of which notice in writing shall not at the time have been given to the vendor under the agreement of purchase and sale for the Secured Properties dated July 25, 2018 pursuant to the *Builders' Lien Act* (Alberta), and in respect of any of the foregoing cases, the vendor under the agreement of purchase and sale for the Secured Properties dated July 25, 2018 has, where applicable, complied with the holdback or other similar provisions or requirements of the relevant constructions contracts;
- (o) any and all statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other encumbrances of any nature whatsoever which are not registered on the title to a Secured Property and of which the Borrower does not have notice, claimed or held by Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Province of Alberta, or by any other governmental department, agency or authority under pursuant to any applicable legislation, statute or regulation;
- (p) any lien, together with any certificate of action registered in respect thereof, a claim for which, although registered or of which notice has been given, related solely to work done by or on behalf of a tenant, and all Encumbrances affecting the Tenant's interest in a Secured Property;
- (q) any reference plans or plans in respect of the Secured Properties so long as the plans are registered on title;
- (r) with respect to Joffre Place; the following specific registrations:
  - (i) 791 165 767 Caveat in favour of the City of Calgary;
  - (ii) 841 182 828 Caveat re: Lease in favour of Wawanesa Mutual Insurance Company;
  - (iii) 051 339 784 Caveat re: Development Agreement pursuant to Municipal Government Act in favour of the City of Calgary;
  - (iv) 081 379 480 Caveat re: Lease Interest in favour of Associated Geosciences Ltd.;
  - (v) 181 195 049 Caveat re: Lease in favour of Katz Group Real Estate Inc.;
- (s) with respect to Life Plaza the following specific registrations:
  - (i) 801 103 486 Caveat in favour of the City of Calgary;
  - (ii) 821 102 870 Caveat in favour of the Bank of Nova Scotia;



- (iii) 861 097 393 Caveat re: Assumption Agreement in favour of the City of Calgary;
- (iv) 881 110 373 Caveat re: See Caveat in favour of the City of Calgary;
- (v) 881 110 374 Caveat re: See Caveat in favour of the City of Calgary;
- (vi) 881 220 406 Caveat re: See Caveat in favour of the City of Calgary;
- (vii) 961 305 614 Caveat re: Assumption Agreement in favour of the City of Calgary;
- (viii) 061 057 657 Caveat re: Assumption Agreement in favour of the City of Calgary;
- (ix) 081 021 898 Caveat re: Assignment of Interest in favour of the City of Calgary;
- (x) 081 029 010 Caveat re: Development Agreement pursuant to Municipal Government Act in favour of the City of Calgary;
- (xi) 091 105 965 Caveat re: Development Agreement pursuant to Municipal Government Act in favour of the City of Calgary;
- (xii) 121 336 312 Caveat re: Lease Interest in favour of Hemisphere Capital Management Inc.; and
- (xiii) 181 205 347 Caveat in favour of the City of Calgary.

**"Person"** means an individual, corporation, partnership, trust, unincorporated association, Governmental Authority or any combination of the foregoing.

**"Property Management"** has the meaning given to it in section 8.

**"Property Management Agreement"** means the property management agreement dated November 14, 2018 between SCREO I GILL L.P. and Colliers Macaulay Nicolls Inc., as amended or supplemented from time to time.

**"Project Occupancy"** means, with respect to the Secured Properties, the cumulative GLA that is subject to a Lease as of a particular month, divided by the aggregate GLA of the Secured Properties. For greater clarity, this classification is to include GLA subject to Leases to New Tenants as of that New Tenant's respective Lease Execution Date.

**"Release"** means releasing, adding, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, dispersing, dispensing, disposing, depositing, spraying, inoculating, abandoning, throwing, placing, exhausting or dumping and "Released" has a comparable meaning.

**"Repositioning Costs"** are:

|                                                        |                |
|--------------------------------------------------------|----------------|
| Capital Expenditures Joffre Place                      | \$1,845,000.00 |
| Tenant Improvements & Leasing Commissions Joffre Place | \$2,658,000.00 |
| Capital Expenditures Life Plaza                        | \$1,300,000.00 |
| Tenant Improvements & Leasing Commissions Life Plaza   | \$5,404,000.00 |
|                                                        | <hr/>          |
|                                                        | \$11,207,000   |

**"Repositioning Facility"** has the meaning given thereto in Section 2.4.

**"Repositioning Facility Amount"** means the lessor of:

- (a) the Repositioning Costs; and
- (b) 75% of "as if completed" appraised values of the Secured Properties (when combined with the advance under the Acquisition Facility).

**"Relevant Jurisdiction"** means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada which such Person has its chief executive office or chief place of business or has Secured Property.

**"Renewal Option"** has the meaning given to it in section 3.4.

**"Secured Properties"** or **"Secured Property"** means the properties described in Schedule "A" and generally known as Joffre Place and Life Plaza.

**"Security"** means, collectively, mortgage, general security agreement, general assignment of rents and leases, guarantee, and other security documents executed and delivered to the Lender and/or the Custodian by an Obligor in connection with this Agreement.

**"Senior Officer"** means, for any Person, the authorized signing authority.

**"Significant Agreements"** means all material agreements and contracts now existing or from time to time entered into in the future or assigned to or obtained by the Borrower in respect of or relating to the Secured Properties including any manufacturer's or contractor's warranties and the Property Management Agreement, (but not including leases to the tenants of the Secured Properties); together with consents and acknowledgements as required.

**"Subsidiaries"** means, in relation to a Person, any Person that is directly or indirectly controlled by such first Person.

**"Taxes"** means all taxes of any kind or nature whatsoever, including income taxes, realty taxes, sales or value-added taxes, levies, stamp taxes, royalties, duties, and all fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed, as of the date hereof or at any time in the future, by any Governmental Authority having the power to tax, together with penalties, fines, additions to tax and interest thereon.

**"TD Bank Prime Rate"** means the annual interest rate that The Toronto Dominion Bank sets and adjusts at its discretion as a reference that the Bank will change for variable interest rate

Canadian Dollar loans made in Canada and designated as its "prime rate". The TD Bank prime rate can be found on the Toronto Dominion Bank website.

**"Term"** means the period of 36 months from and including the Interest Adjustment Date to and including the Maturity Date, but subject to any renewals or extensions hereof.

**"TI/LC Expenditures"** means all costs relating to tenant improvements and leasing commissions incurred from time to time by the Borrower in connection with leases to New Tenants at the Secured Properties approved by the Lender, acting reasonably, and limited to the amount for each Secured Property as identified in the definition of Repositioning Costs.

**"Waived Free Rent Period"** means in-term free rent for a period of twelve (12) months for a five (5) year lease term, twenty-four (24) months for a ten (10) year lease term or thirty-six (36) months for a fifteen (15) year lease term, with the applicable in-term free rent period to be adjusted on a pro rata basis for lease terms outside or between these explicitly defined lease terms.

## **1.2 Currency**

Except as otherwise specifically provided herein, all monetary amounts in this Agreement are stated in Canadian Dollars.

## **Section 2 FACILITY**

### **2.1 Acquisition Facility**

On and subject to the terms and conditions of this Agreement, the Lender hereby establishes in favour of the Borrower an Acquisition Facility of up to \$30,200,000.00.

### **2.2 Acquisition Facility to be Non-Revolving**

Any monies paid in reduction of the Acquisition Facility shall be a permanent reduction of the availability thereunder and may not thereafter be re-borrowed.

### **2.3 Use of Acquisition Facility**

The Acquisition Facility shall only be used to finance the acquisition of the Secured Properties.

### **2.4 Expiry of Acquisition Facility**

In the event the Acquisition Facility is not advanced by November 23, 2018, the Loan Agreement will be null and void and the Good Faith Deposit will be forfeited to the Lender only in the event that any of the circumstances described in section 12.4 occurs. For greater certainty if the Acquisition Facility is not advanced for any reason other than as described in section 12.4, the Good Faith Deposit shall be returned to the Borrower in full without deduction or set-off.

### **2.5 Repositioning Facility**

On and subject to the terms and conditions of this Agreement, the Lender hereby establishes in favour of the Borrower a Re-Positioning Facility of up to \$11,207,000.00.

## **2.6 Repositioning Facility to be Non-Revolving**

Any monies paid in reduction of the Repositioning Facility shall be a permanent reduction of the availability thereunder and may not thereafter be re-borrowed.

## **2.7 Loan Fee**

In consideration of the Lender establishing the Facilities, the Borrower shall pay to the Lender the Loan Fee to be deducted from the initial Advance under the Acquisition Facility made hereunder.

## **2.8 Record of Indebtedness**

The indebtedness of the Borrower resulting from the Advances shall be evidenced by records maintained by the Lender. The Lender shall enter in the foregoing records details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The records maintained by the Lender shall constitute in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Lender. The failure of the Lender to correctly record any such amount or date shall not in any way affect the obligation of the Borrower to pay all amounts due to the Lender under this Agreement pursuant to, and in accordance with, this Agreement. After a request of the Borrower, the Lender will advise the Borrower of such entries made in the Lender's records.

# **Section 3 REPAYMENT**

## **3.1 Repayment on Maturity Date**

Unless the Advances outstanding under the Facilities are required to be paid at an earlier date pursuant to the terms hereof, both of the Facilities shall terminate on the Maturity Date, and on such date all Advances outstanding under the Facilities, together with all accrued and unpaid interest thereon and all other fees and charges payable in connection therewith, shall become immediately due and payable without the Lender having to make demand therefor.

## **3.2 Prepayment**

In respect of each Advance under the Acquisition Facility and the Repositioning Facility:

- (i) no voluntary prepayment thereof will be permitted during the first 6 months following the date such Advance is made; and
- (ii) following the expiry of each such 6 month period, the amount of such Advance may be fully or partially repaid without penalty subject to the Borrower providing the Lender with 60 days' prior written notice of such prepayment.

This prepayment right can only be exercised if the Loan is not in default.

## **3.3 Partial Discharges**

The Lender agrees that at any time, at the reasonable request of the Borrower, it will release one of the Secured Properties from the Security provided that:

- (a) the Loan is not then in default, subject to the cure provisions in the Security;

- (b) the minimum Debt Capitalization Rate for the remaining Secured Property based on its then advanced Loan Amount must be greater than 8% in which case a Partial Discharge shall be provided in exchange for prepayment of 110% of the Loan then advanced for the Secured Property to be discharged;
- (c) the Lender receives a discharge fee of \$2,000 for the Secured Property that is to be discharged, exclusive of any Lender's legal and registration costs;
- (d) a minimum of 60 days' written notice is provided; and
- (e) the Secured Property for which the release is being requested is being sold to an arm's length third party or is being refinanced.

### 3.4 Renewal Option

The Borrower shall have two (2) twelve-month renewal options (the "Renewal Option" and / or the "Renewal Term"), provided that:

- (a) the Loan is not then and has not been in default more than twice since the Interest Adjustment Date, only one of which may be a default of a financial obligation under the Security. For greater certainty, the Borrower is not allowed more than one financial default under the Security to be eligible for each Renewal Term;
- (b) the weighted average committed occupancy of the Secured Property is not less than it was at the time of funding;
- (c) leasing update and evidence of positive leasing momentum/negotiations for the vacant space/tenant turnover/renewals satisfactory to the Lender acting reasonably;
- (d) the Lender receives written notice 30 days prior to the expiry of the Initial Term or the first Renewal Term;
- (e) the Lender receives a renewal fee equal to 0.50% for each of the Renewal Terms. The interest rate for each of the Renewal Terms will be floating at the TD Prime Rate + 2.55% calculated and payable monthly, subject to a floor rate equal to the TD Prime Rate at the time of the initial Advance of the Loan +2.55%, for the first eleven (11) months of the Renewal Term increasing thereafter to the TD Bank prime rate +4.55%. Interest on advanced funds will be calculated and payable monthly.

## Section 4 INTEREST

### 4.1 Interest

The Borrower shall pay interest on Advances at a rate per annum equal to the Interest Rate applicable to such Advance. Interest on Advances shall be payable monthly in arrears on each Interest Payment Date. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, as the case may be, to but excluding the date on which interest is payable, with interest on overdue interest at the same rate payable on demand monthly in arrears.

## **Section 5 INDEMNIFICATION FOR TAXES**

### **5.1 No Withholding for Taxes**

Each payment under this Agreement, or any of the Security shall be made by the Borrower without set-off, compensation or counterclaim, free and clear of and without any deduction or withholding for or on account of any Taxes other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada.

### **5.2 Indemnification**

The Borrower shall fully indemnify the Lender from and against any Taxes (including interest and penalties), losses and expenses which the Borrower is required to withhold or fails to pay (other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada) on an after-tax basis. The Borrower shall pay all Taxes (other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada) with respect to the Advances or any amount otherwise payable under this Agreement or any of the Security including, without limitation any sales taxes or goods and services taxes.

### **5.3 Excluded Taxes**

The Borrower shall not be required to make any payment to the Lender pursuant to Section 5.2 with respect to taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada.

### **5.4 Lawful Interest Rate**

Notwithstanding anything herein to the contrary, if at any time the Interest Rate applicable to any Advance together with all fees, charges and other amounts that are treated as interest on such Advance under Applicable Law (collectively the "**charges**"), shall exceed the maximum lawful rate (the "**maximum rate**") that may be contracted for, charged, taken, received or reserved by the Lender in accordance with Applicable Law, the rate of interest payable in respect of such advance hereunder, together with all of the charges payable in respect thereof, shall be limited to the maximum rate.

## **Section 6 CONDITIONS**

### **6.1 Advance under the Acquisition Facility**

The making of the initial Advance under the Acquisition Facility is subject to and conditional upon the Lender receiving, reviewing and approving the following documents, which must be to the Lender's satisfaction acting reasonably:

- (a) Executed Purchase and Sale Agreement and all amendments thereto confirming an aggregate purchase price of \$46,500,000.00;
- (b) Receipt of the ownership structure of the Borrower and the Guarantor including shareholders, beneficial owners, and a corporate organizational chart which is to be signed and dated. The organization chart will include percentage share of ownership of LP/GP structure, as applicable, and said information shall be satisfactory and sufficient to comply with the Lender's anti-money laundering requirements;

The Borrower and the Guarantor will be required to produce identification and such other documentation as may be required acceptable to Lender and Lender's solicitor at the time the mortgage documentation is signed, and prior to any funds being advanced, for the purpose of compliance with the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and Regulations thereunder. Such identification shall include at least two documents, with at least one document including photo ID, together with a solicitor's confirmation that the identity of all persons signing as or on behalf of the Borrower and the Guarantor have been identified as the proper persons to sign. Lender to be provided with copies (front and back) of any identification documents together with a solicitor's certification that the copies are true copies of the original documents.

- (c) Most recent financial statements for the Borrower. If the Borrower is a newly incorporated entity, an opening balance sheet will be required;
- (d) Most recent financial statements for the Guarantor;
- (e) Satisfactory bank/credit reports for the Borrower and Beneficial Owners of the Secured Property;
- (f) Last three fiscal years' operating statements including year to date and 12 months trailing operating statements for the Secured Properties (confirming taxes, utilities, insurance, repairs/maintenance and any other operating expenses relating to the Property) and pro forma operating statements for 2018-2019;
- (g) A current monthly aged receivables/rental arrears report for the last twelve (12) months with respect to the Secured Properties;
- (h) A certified rent roll for the Secured Properties. The rent roll shall confirm "as is" rents as well as "to be achieved" rents on unit roll over;
- (i) Leases affecting the Secured Properties accompanied by estoppel certificates for tenants leasing not less than 75% of the rental area of each Secured Property and for tenants leasing more than 5000 square feet in a Security Property;
- (j) 2018 property tax bills for the Secured Properties;
- (k) Confirmation that as at the initial Advance of the Loan, as established by the Lender's review of operating statements, rent rolls, leases and estoppel certificates, the Secured Properties aggregate "as is" occupancy rate is not less than 54% and the Property's aggregate net operating income as of the date hereof, as calculated by the Lender, is not less than \$1,300,000.00;
- (l) Detailed pro forma income and expense statement, capital expenditures and tenant improvements allowance budget prepared by the Borrower and outlining the Borrower's repositioning program at the Secured Properties, including, but not limited to, timing or leasing, cash flow, market leasing assumptions;
- (m) Copies of all material contracts affecting the Secured Properties, including, but not limited to the Property Management Agreement;



- (n) Current AACI appraisal report for the Secured Properties supporting an aggregate as is value of no less than the purchase price and an "as if completed" value of not less a value resulting in a fully advanced loan to value ratio not exceeding 75% accompanied by a letter of transmittal addressed to the Lender and confirming that the report can be used for mortgage financing purposes;
- (o) Satisfactory Phase I (Phase II if applicable) environmental report accompanied by a letter of transmittal to the Lender, and confirming that the report can be used for mortgage financing purposes;
- (p) Building Condition Assessment (BCA) report for the Property accompanied by a letter of transmittal addressed to the Lender and confirming that the report can be used for the mortgage financing purposes;
- (q) Satisfactory site inspection by the Lender and a site inspection fee of \$2,000;
- (r) Confirmation that there are no liens or Encumbrances registered against the Secured Properties other than the Permitted Encumbrances;
- (s) The Loan shall be conditional of the approval of the Loan by the Lender's Investment Committee, such approval to be at its sole discretion; and
- (t) Evidence that the Secured Properties are classified or zoned for the present and contemplated future development. This condition may be satisfied by title insurance.

## **6.2 Conditions Precedent to Advances under the Repositioning Facility**

The making of any Advances under the Repositioning Facility are subject to and conditional upon the Lender securing, reviewing and approving the following documentation which must be to the Lender's satisfaction, acting reasonably:

- (a) Copy of all construction contracts;
- (b) Copy of all paid invoices;
- (c) Confirmation established by estoppel certificates or other document acceptable to the Lender acting reasonably, that tenant improvements have been paid to the tenants in accordance to their respective Leases;
- (d) Architect's certificate confirming that the renovations / capital expenditures have been completed in accordance to plans and specifications;
- (e) Certificate from the third party general contractor, trades and/or subtrades, as the case may be, confirming that they have been paid in full;
- (f) Advances under Capital Expenditures shall be consistent with the Repositioning Costs budget provided by the Borrower and verified by the Lender;
- (g) Advances relating to Repositioning Costs shall further be subject to the following:
  - The Borrower shall have the right to draw a maximum of \$3,145,000 at the equivalent amount of 100% of the Capital Expenditures budget, on a cost-to complete basis, prior to any leasing being completed;



- The Borrower shall have the right to draw 25% of the total TI/LC Expenditures budget, to a maximum of \$2,025,000, subject to confirmation of an aggregate Project occupancy rate of not less than 70%;
  - The Borrower shall have the right to draw an additional 25% of the total TI/LC Expenditures budget, to a maximum of \$2,025,000, and subject to a Debt Capitalization Rate of not less than 6%, as determined by the Lender, acting reasonably. For greater clarity, the Borrower shall have access to 50% of its total TI/LC Expenditures budget, up to a maximum aggregate amount of \$4,050,000, subject to a Debt Capitalization Rate of not less than 6%;
  - The Borrower shall have the right to draw an additional 25% of the total TI/LC Expenditures budget, to a maximum of \$2,025,000 and subject to a Debt Capitalization Rate of not less than 8%, as determined by the Lender, acting reasonably. For greater clarity, the Borrower shall have access to 75% of its total TI/LC Expenditures budget, up to a maximum aggregate amount of \$6,075,000 subject to a Debt Capitalization Rate of not less than 8%;
  - The balance of the TI/LC Expenditures budget shall be advanced subject to a Debt Capitalization Rate of not less than 9%, as determined by the Lender, and shall not exceed the cumulative of the lesser of 100% of the TI/LC Expenditures budgeted costs or \$8,062,000; and
  - TI/LC Expenditures and related landlord work shall be consistent with the Repositioning Costs budget provided by the Borrower.
- (h) It is the intention of the parties hereto that the Borrower draw the amount allocated to the Capital Expenditures first, but in the event that the Borrower draws amounts allocated to TI/LC Expenditures prior to fully drawing on the Repositioning Facility for Capital Expenditures, then the draw for TI/LC Expenditures shall be subject to the then-applicable Debt Capitalization Rate test as if the Repositioning Facility for Capital Expenditures has been fully Advanced.
- (i) A certificate from a Senior Officer of the Borrower (without personal liability) in the form attached as Schedule "D" confirming, *inter alia*, that all necessary holdbacks are being maintained.

### 6.3 Funding Conditions of Repositioning Facility

The following shall govern any Advances under the Repositioning Facility:

- (a) All Advances will be on a work in place/cost to complete basis;
- (b) Requests for Advances shall be for a minimum of \$250,000 and shall not be made more than once per month;
- (c) The Borrower shall provide the Lender with 10 days written notice for advance requests between \$500,000 and \$2,000,000, and 20 days written notice for advance requests in excess of \$2,000,000.

- (d) Receipt of a certificate of title for each Secured Party that is satisfactory to the Lender, acting reasonably, from the Lender's solicitor immediately prior to the calculation and processing of each Advance.
- (e) Any costs over and above the Repositioning Facility amount shall be deemed a cost overrun and the Borrower shall immediately inject additional equity from its own resources to recover such cost overrun prior to any Advances.
- (f) A certificate from a Senior Officer of the Borrower (without personal liability) in the form attached as Schedule "D" confirming, *inter alia*, that all necessary holdbacks are being maintained.
- (g) The Lender is entitled to an Advance fee of \$500 for each Advance which will be deducted from the gross Advance.
- (h) All Advances under the Repositioning Facility shall be funded on pro-rata cost in place/cost to complete basis.
- (i) At the Lender's option, acting reasonably, upon review of the Borrower's detailed budget and business plan, an independent project cost consultant may be appointed by the Lender at the cost of the Borrower, to review all final working drawings and specifications and any other relevant material related to the project including, but not limited to, a detailed budget and business plan.

## Section 7 COVENANTS

### 7.1 Covenants

The Borrower hereby covenants with the Lender that:

- (a) the Borrower shall pay duly and punctually all sums of money due by it under the terms of this Agreement and the Guarantor shall duly and punctually pay all sums of money due by it under the guarantee provided by it in favour of the Lender at the times and places and in the manner provided for herein;
- (b) each Obligor shall maintain its existence;
- (c) the Borrower shall diligently maintain, use and operate the Secured Properties and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Secured Properties;
- (d) the Borrower shall maintain, or cause to be maintained, in its name and in the name of the Lender as loss payee, with responsible and reputable insurers, insurance with respect to its properties, assets and business as provided for in Schedule "B";
- (e) each Obligor shall do, observe and perform all matters and things necessary or expedient to be done, observed or performed in accordance with the requirements of all applicable regulatory authorities for the purpose of
  - (i) carrying on and conducting its business, and
  - (ii) owning and possessing its properties and assets;
- (f) each Obligor shall promptly pay, or cause to be paid all Taxes, rates, government fees and duties levied, assessed or imposed upon it, its

properties and assets or any part thereof and upon its income and profits, as and when same shall become due and payable save when and so long as any such Taxes, rates, fees or duties are in good faith contested by it as may be affected thereby;

- (g) the Borrower shall provide the Lender with satisfactory evidence of payment of all real property taxes in respect of the Secured Properties on a semi-annual basis;
- (h) the Borrower shall give to the Lender prompt notice of any Default or Event of Default under this Agreement;
- (i) the Borrower shall repair or cause to be repaired and will keep or cause to be kept in good order and repair each of the Secured Properties from time to time to the standard as would be done by a prudent owner of similar property in the circumstances, and will at all reasonable times, subject to the provisions of any leases and the rights of the tenants pursuant thereto, allow the Lender or its duly authorized representatives access to the same in order to view the state and condition thereof;
- (j) the Borrower shall promptly provide written notice to the Lender of any default or notice of default served by or received by the Borrower in respect of any Permitted Encumbrance;
- (k) in respect of Leases, the Borrower shall:
  - (i) perform and observe all of the landlord's obligations under the Leases or imposed by law in all material respects; and,
  - (ii) not attempt to collect either the payment or the prepayment of rent for a period greater than six (6) months in any manner and at any time other than that stipulated in the Lease;
- (l) the Borrower shall not, without the Lender's prior written consent, not to be unreasonably withheld, incur, create, assume or permit to exist any Encumbrance (other than Permitted Encumbrances) on any of the Secured Properties provided however if such Encumbrance is a financial encumbrance the Mortgagee may withhold its approval in its sole discretion;
- (m) the Borrower shall not, without the Lender's prior written consent not to be unreasonably withheld, sell, convey, transfer, dispose of or enter into an agreement for sale or transfer of all or any part any of the Secured Properties, such consent shall not be unreasonably denied, delayed, withheld or conditioned, except such consent will be conditional on the Borrower's compliance with all other terms of this Loan Agreement, including the conditions set out in Section 3.3 hereof;
- (n) the Obligors shall use the Advances only for the purposes set forth in Section 2;
- (o) the Obligors shall observe and conform to all valid requirements of any Governmental Authority relative to any of the Secured Properties and all covenants, terms and conditions upon or under which the Secured Properties are held, including without limitation, all requirements with respect to health and safety and the environment;

- (p) each of the Obligors shall keep proper books of accounts in accordance with sound accounting practices;
- (q) the Borrower shall give written notice to the Lender of all material litigation before any court, administrative board, or other tribunal affecting any Obligor or its property;
- (r) the amounts owing to the Lender from time to time pursuant hereto shall be paid to the Lender without regard to any equities between any Obligor and the Lender or to any right of set-off or cross-claim;
- (s) the Borrower shall not change its name without providing the Lender at least 15 days' prior written notice;
- (t) the Borrower shall not continue into any other jurisdiction without providing the Lender at least 15 days' prior written notice; and
- (u) the Borrower shall not carry on any business other than:
  - (i) the business carried on by it on the date hereof, which for greater certainty, is the operation of the Secured Properties, or
  - (ii) any other business of which the Borrower is permitted to carry on in accordance with its organizational documents.
- (v) within 120 days from the end of the fiscal year of the Borrower, the Lender shall be provided with financial statements detailing a complete list of material assets and liabilities satisfactory to the Lender acting reasonably. The statements are to be management prepared and will include a balance sheet and a detailed statement of income and expenditures. The Lender shall also be provided with property level operating statements and rent rolls on a quarterly basis. Within 120 days from the end of the fiscal year of the Guarantor, the Lender shall be provided with annual audited statements from the Guarantor.

## Section 8 REPRESENTATIONS AND WARRANTIES

### 8.1 Representations and Warranties

The Borrower (on behalf of both itself and each other Obligor) represents and warrants as follows to the Lender and acknowledges and confirms that the Lender is relying upon such representations and warranties:

- (a) each Obligor is duly qualified to carry on business in all jurisdictions in which it carries on its business, unless the failure to so qualify would have no material adverse effect on such Obligor or any Secured Property, has all Material Licenses, and has not adopted nor designated any name (including any French name) other than the English form of such names as set out herein;
- (b) each Obligor has the power, authority and right to enter into and deliver, and to exercise its rights and perform its obligations under, the Security to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Security;

- (c) the Borrower has the power, authority and right to own the Secured Properties and carry on its business as currently conducted, or as currently proposed to be conducted, by it;
- (d) each Obligor has taken all necessary action to authorize the creation, execution, delivery and performance of this Agreement and the Security to which it is a party and to observe and perform the provisions of each in accordance with its terms;
- (e) this Agreement constitutes and, when executed and delivered, each of the Security to which any Obligor is a party will constitute binding obligations of such Obligor, as the case may be, in accordance with their respective terms;
- (f) neither the execution and delivery of this Agreement nor any Document, nor compliance with the terms and conditions of any of them, (i) has resulted or will result in a violation of any Obligor's Organizational Documents or any resolutions passed by its or the such Obligor's board of trustees, board of directors, unit holders or shareholders, as applicable, (ii) has resulted or will result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other Significant Agreement, Permitted Encumbrance or instrument to which it is a party or by which any Obligor is bound, (iii) will result in the creation of, any Encumbrance, or any rights of others (other than as contemplated by the Documents) upon any property of any Obligor pursuant to any agreement, indenture or other instrument to which such Obligor is a party, or by which such Obligor or its respective property may be bound or affected, or (iv) requires any approval, consent, authorizations, declarations, registrations, filings, notices and other actions whatsoever required in connection with the execution and delivery by it of each Document to which it is a party and the consummation of the transactions contemplated in the Documents except such as has already been obtained or filed;
- (g) no Default or Event of Default has occurred and is continuing;
- (h) the most recent financial statements of the Borrower and to the best of its knowledge the operating statements of the Secured Properties delivered to the Lender are accurate and complete in all material respects and fairly presents the Obligors' financial condition, as at the dates specified therein, all in accordance with generally accepted accounting principles consistently applied;
- (i) the ownership structure set out in Schedule "C" hereto is accurate as of the date hereof;
- (j) since the date of the Borrower's most recent annual financial statements provided to the Lender, there has been no Material Adverse Change;
- (k) except as disclosed in the environmental audits or other written materials delivered to the Lender, to the best of its knowledge:
  - (i) there are no existing, pending or threatened:
    - (A) claims, complaints, notices or requests of which it is aware (after due inquiry) with respect to any alleged violation of or alleged liability under any Environmental Laws relating to any Secured Property; or

- (B) governmental or court orders, including, without limitation, stop, clean up or preventive orders, directions or action request notices of which it is aware relating to environmental matters requiring any works, repairs, remediation, clean up, construction or capital expenditures with respect to any Secured Property which would be reasonably likely to constitute a Material Adverse Change;
- (ii) each of the Secured Properties and the use and operation thereof is in compliance in all material respects with all Environmental Law and laws relating to occupational health and safety;
- (iii) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any Secured Property; and
- (iv) no condition (including the existence, storage or release of any Hazardous Substances) exists at, on or under any Secured Property which, with the passage of time, the giving of notice, the making of any determination, or any combination of the foregoing, has given rise to or could reasonably be expected to give rise to material liability under any Environmental Law;
- (l) the Borrower has or will have good and marketable title to the Secured Properties, free and clear of all Encumbrances except for Permitted Encumbrances, and no Person has any agreement, option or right to acquire the Borrower's interest in the Secured Properties;
- (m) each of the Obligors is solvent, able to pay its debts as they mature, has sufficient capital to carry on its business and has assets the fair market value of which exceeds its liabilities, and it will not be rendered insolvent, undercapitalized or unable to pay debts generally as they become due by the execution or performance of this Agreement or any other Document to which it is a party;
- (n) to the best of its knowledge all information provided or to be provided to the Lender in connection with the Facilities is true and correct in all material respects and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it;
- (o) to the best of its knowledge the Secured Properties and the operation and use thereof are in compliance, in all material respects, with all Applicable Laws;
- (p) there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, after due inquiry, threatened against or affecting any Obligor or, to the knowledge of the Borrower, the Secured Properties or any of their undertakings and assets, at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in respect of which a determination adverse to any Obligor or the Secured Properties would be reasonably likely to affect materially and adversely the Security, the operations of businesses carried on at the Secured Properties or the ability of any Obligor to perform any of its Obligations under this Agreement, the Security or any Significant Agreements and to the best of its knowledge no Obligor is in default with respect to any law, regulation, order, writ, judgment, injunction or award of any competent government, commission, board, agency, court, arbitrator or instrumentality which is reasonably likely



to have such an effect and no Obligor has received a notice of expropriation relating to any of the Secured Properties;

- (q) the Borrower has paid all Taxes when the same were due and payable imposed upon it or any of the assets of the Borrower and the Borrower has filed or caused to be filed all federal, provincial and local tax returns which to its or their knowledge are required to be filed and have paid or caused to be paid all Taxes, as shown on such returns, or any assessment received by them plus all interest and penalties to the extent that such Taxes or assessments have become due, except such as may be diligently contested in good faith and by appropriate proceedings or as to which a bona fide dispute may exist and for which adequate reserves are being maintained, so long as the Security is not impaired or an event or circumstance occurs that results or could result in a Material Adverse Change;
- (r) to the best of its knowledge no Obligor is in violation of, or in default under, any agreement, mortgage, franchise, license, judgment, decree, order, statute, rule or regulation which is material to its or their interests in the Secured Properties which violation or default would result in a Material Adverse Change nor will execution, delivery and performance of this Agreement, the Documents to which they are a party or any of the agreements provided for or contemplated hereby result in any such violation;
- (s) to the best of its knowledge true copies of each of the Significant Agreements have been delivered to the Lender or the Lender's counsel;
- (t) to the best of its knowledge the Significant Agreements, Material Licenses and Permitted Encumbrances constitute the only agreements which are material to the ownership or operation of the Secured Properties, other than leases in the ordinary course of business;
- (u) no Obligor has received notice of any proposed rezoning of all or any part of the Secured Properties that is reasonably likely to have a Material Adverse Change on any of the Secured Properties;
- (v) there are no outstanding judgments, writs of execution, seizures, injunctions or directives against any Obligor nor, to the best of its knowledge, any work orders or directives or notices of deficiency capable of resulting in work orders or directives with respect to the Secured Properties that have a Material Adverse Change or that are reasonably likely to have a Material Adverse Change on the ability of such Obligor to perform its Obligations under this Agreement or any Security;
- (w) no Obligor has received actual notice of any claims for construction liens or legal hypothecs with respect to work or services performed or materials supplied in connection with any Secured Property;
- (x) to the best of its knowledge, all buildings and improvements comprising part of any of the Secured Properties are in good physical condition having regard to their use and age, and there are no material defects or extraordinary repairs required in connection therewith except as disclosed in writing to, and approved by, the Lender;
- (y) to the best of its knowledge, the real property reports, if any, delivered to the Lender accurately reflect the state of the relevant Secured Properties;
- (z) to the best of its knowledge, the location of any buildings on any Secured Property are within the boundary lines of such Secured Property (other than

encroachments that if required to be corrected would not result in a Material Adverse Change or with respect to which there is an encroachment agreement) and are in material compliance with all applicable setback requirements;

- (aa) to the best of its knowledge, the only property interests necessary for the operation of each Secured Property in the manner in which it is intended to be operated are the property interests comprising such Secured Property and all easements, licenses, servitude and other agreements necessary for the operation and maintenance of each Secured Property in the manner in which it is currently being operated have been obtained and, to the best of its knowledge, are in good standing;
- (bb) the insurance policies required pursuant to Schedule "B" are in place and maintained in respect of each Secured Property; and
- (cc) as of the date hereof, Colliers Macaulay Nicolls Inc. provides property management services in respect of each of the Secured Properties pursuant to the Property Management Agreement.

## **8.2 Nature of Representations and Warranties**

The representations and warranties set out in this Section 8 shall survive the execution and delivery of this Agreement and the Security and the making of each Advance and will be deemed to be repeated by the Borrower as of each Advance date, except to the extent that on or prior to such date (a) the Borrower has advised the Lender in writing of a variation in any such representation or warranty, and (b) the Lender has approved such variation, acting reasonably.

If at any time before the final Advance of funds the Lender determines that there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by the Borrower concerning the Secured Properties or any party's financial condition and responsibility, then the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder or decline to Advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be forthwith due and payable.

## **Section 9 SECURITY**

### **9.1 Security Required**

The Borrower shall execute and deliver, or cause the execution and delivery of, to the Lender the following (in each case in a form satisfactory to the Lender and its solicitors):

- (a) a first mortgage charge in the amount of \$41,407,000.00 over all land and buildings of the Secured Property;
- (b) a beneficial owners agreement including a charge of the beneficial interest from the Beneficial Owner of the Secured Properties;
- (c) a first priority assignment of rents and leases;
- (d) a guarantee of the Guarantor whereby it guarantees all interest accruing to the Lender under the Facilities;



- (e) a property specific first general security agreement over all chattels and equipment of the Borrower located at the Secured Properties;
- (f) a first assignment of all Significant Agreements and Material Licenses, together with consents and acknowledgements as required;
- (g) an assignment and postponement of claim from the limited partners and/or the shareholders and beneficial owners of the Borrower;
- (h) an environmental indemnity from the Obligors in favour of the Lender;
- (i) an indemnity for misrepresentation and fraud from the Obligors in favour of the Lender;
- (j) title insurance in favour of the Lender from an insurer satisfactory to the Lender in a form reasonably satisfactory to the Lender;
- (k) a letter from the Guarantor's solicitors addressed to the Lender confirming that none of the limited partners of the Guarantor or any of its Subsidiaries owns or controls directly or indirectly 25% or more of the Guarantor or the Borrower as of the date of the initial Advance;
- (l) an opinion letter from an Alberta solicitor acting for the Borrower stating that all Security and this Agreement has been duly authorized, executed and delivered by the Borrower, and where applicable, the Guarantor; and
- (m) a law firm shall be appointed by the Lender and used to draft the security documentation and any other documents related to this transaction and to disburse advances, and all investigations and registrations shall be to the satisfaction of our solicitor prior to any advance. All legal costs of our solicitors related to this transaction shall be payable by the Borrower and may be deducted from the Loan proceeds and shall be paid by the Borrower directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

The Lender will require that the Borrower use a firm of solicitors for independent legal advice such firm to be completely separate from that chosen by the Lender.

All security shall be on the Lender's standard form subject to such reasonable changes requested by the Borrower and agreed to by the Lender hereunder, acting reasonably;

## 9.2 Registration

The Lender may, at the expense of the Borrower, register or cause to be registered, filed or recorded the Security or site-specific financing statements or notices in respect thereof in all offices where such registration, filing or recording is, in the opinion of the Lender or its counsel, necessary or of advantage to the creation, perfection or preservation of the security interests, mortgages, charges, hypothecs and assignments arising pursuant thereto. The Lender may, at the Borrower's expense, renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The Borrower acknowledges that the forms of Security have been prepared based on the laws in effect at the date of execution thereof and that such laws may change, and that the laws of other jurisdictions may require the execution and delivery of different forms of security instruments in order to grant to the Lender the rights intended to be granted by the Security. The Borrower shall or shall cause each other Obligor to, on reasonable request from the Lender from time to time, execute and deliver to the Lender such additional

security instruments and related documents and amend or supplement the Security theretofore provided to the Lender to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise.

## Section 10 DEFAULT

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

- (a) a default by any Obligor in the observance or performance of any of the terms or conditions of the Security or this Agreement for which they are responsible that has not been remedied within 30 days of receipt of written notice of default from the Lender with respect to any non-financial default (or, if the default cannot reasonably be remedied in 30 days, that the Obligor has not commenced remedying within such 30-day period and diligently continued to remedy such non-financial default) and within 5 business days written notice of any financial default;
- (b) either Obligor becoming insolvent or the filing or presenting of a petition in bankruptcy against either obligor;
- (c) the appointment, either privately or by a court, of a receiver or receiver-manager of either Obligor or any of its assets;
- (d) either Obligor making a proposal under the *Bankruptcy and Insolvency Act*, or any successor legislation, or seeking relief under the *Companies' Creditors Arrangement Act*, or other debtor relief legislation;
- (e) any execution, sequestration or other process of any court becoming enforceable against any Obligor, a distress or analogous process being levied upon the property of any Obligor or any part thereof, including but not limited to a builder's lien registered against the title to the Secured Property, which is not satisfied or discharged, or if any Obligor has not taken steps to remedy same, or is not continuing diligently toward such remedy, as the case may be, within 30 days from the date upon which any Obligor receives written notice of the same from the Lender;
- (f) a non-arm's length lease granted by the Borrower without the prior written approval of the Lender which approval will not be unreasonably withheld;
- (g) the Secured Property is charged or encumbered with any financial obligation other than the Security without the prior written approval of the Lender, which approval may be withheld in the Lender's sole discretion;
- (h) any other event which, pursuant to the terms of Security constitutes, or is deemed to constitute, an Event of Default;
- (i) there is a Material Adverse Change;
- (j) there is a Change of Control or the Lender consents to a Change of Control but the transferee or purchaser does not execute an assumption agreement in favour of the Lender satisfactory to the Lender acting reasonably; and
- (k) in the event of abandonment of either of the Secured Properties for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after

giving the Borrower ten (10) days written notice of any abandonment and provided the Borrower fails to rectify same within the time allotted or within thirty (30) days after such notice has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to Advance further funds as the case may be and in addition to declare any funds Advanced to forthwith become due and payable, plus interest, all at the Lender's option.

### **10.2 Acceleration**

If any Event of Default shall occur and be continuing beyond any applicable cure period, all of the Obligations shall, upon notice in writing from the Lender to the Borrower, become immediately due and payable with interest thereon, at the Interest Rate, to the date of actual payment thereof, all without notice (other than the notice just referred to), presentment, protest, demand, notice of dishonor or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower. In such event the Lender may, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of the Obligations and proceed to exercise any and all rights hereunder and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

### **10.3 Remedies Cumulative and Waivers**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender hereunder or under the Security are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender in accordance with the provisions hereof of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or the Security as a result of a Default.

### **10.4 Termination of Lender's Obligations**

The occurrence and continuance of a Default or an Event of Default beyond any applicable cure period shall immediately relieve the Lender of all obligations to provide any further Advances hereunder.

### **10.5 Lender May Perform**

If any Obligor fails to perform any covenants on its part contained in this Agreement or any other Document, the Lender may, in its discretion but need not, perform any such covenant capable of being performed by the Lender and if the covenant requires the payment or expenditure of money, the Lender may make such payment or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Lender and shall bear interest at the Interest Rate.

### **10.6 Set-Off or Compensation**

In addition to, and not in limitation of any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 10.2, the Lender may at any time and from time to time without notice to the Borrower or any other person, any notice being expressly waived by the Borrower, set-off and, compensate, combine and apply any and all deposits, and any other indebtedness at any time owing by the Lender, to or for the credit of or the account of the Borrower against and on account of the Obligations owing under this Agreement notwithstanding that any of them are contingent or unmatured.

### **10.7 Other**

In the event of any Default, the Lender shall be entitled to a fee for each and every incident of Default on account of administration and costs incurred. Such fee will be: (a) \$250, in the event of late payment; (b) \$500, in the event of dishonored cheque or other payment; and (c) \$1,000 plus all legal fees disbursements and any other costs incurred in the event of any legal proceeding being instituted.

### **10.8 Custodian**

This Loan Agreement will be assigned by the Lender to the Custodian and all Security will be drafted in favor of the Custodian, as agent, nominee and bare trustee for and on behalf of the Lender.

## **Section 11 NOTICES**

### **11.1 Notices**

Any notice, demand or request to any party shall be in writing and shall be deemed to have been validly given only when it has been received at the address of such party shown in this Agreement or to such other address as such party shall have given written notice. The current addresses of the parties are:

the Lender:

Computershare Trust Company of Canada  
c/o Timbercreek Mortgage Servicing Inc.  
1000 Yonge Street, Suite 500  
Toronto, Ontario M4W 2K2

Attention: Mortgage Administration

Fax: (416) 848-9494

[email: pjones@timbercreekfunds.com](mailto:pjones@timbercreekfunds.com)

the Borrower:

121 King Street West, Suite 200  
Toronto, Ontario M5H 3T9

Attention: Ramsey Ali

Fax: 416-947-9366  
email: ramsey@slateam.com

## **Section 12 COSTS AND EXPENSES**

### **12.1 Costs and Expenses**

The Borrower shall promptly pay upon notice from the Lender all reasonable costs and expenses incurred by the Lender in connection with:

- (a) the preparation, execution and delivery of this Agreement, the Security and the other documents to be delivered hereunder including waivers, consents and amendments requested by the Borrower;
- (b) the conduct of due diligence by the Lender in relation hereto, whether or not any Advance has been made hereunder; and
- (c) the reasonable fees and out-of-pocket expenses of Lender's legal counsel on a full indemnity basis with respect to the enforcement of this Agreement and the Security and with respect to:
  - (i) advising the Lender as to its rights and responsibilities under this Agreement and the Security;
  - (ii) in connection with the preparation or review of waivers, consents and amendments requested by the Borrower; and
  - (iii) questions of interpretation of this Agreement and the Security in connection with the establishment of the validity and enforceability of this Agreement and the Security.

### **12.2 Further Costs and Expenses**

The Borrower shall promptly pay upon notice from the Lender all reasonable costs and expenses incurred by the Lender in connection with the preservation or enforcement of the rights of the Lender under this Agreement, the Security and the other Documents to be delivered hereunder, including without limitation, all costs and expenses sustained by the Lender as a result of any failure by any Obligor to perform or observe any of their Obligations under the Security.

### **12.3 Interest on Costs and Expenses**

The costs and expenses to be paid by the Lender pursuant to Sections 12.1 and 12.2 shall bear interest at the Interest Rate applicable to the Facilities following Lender's request for same if such payment is not made within 15 Business Days. Such costs, expenses and interest shall be payable whether or not the Closing Date occurs or an Advance is made under this Agreement.

### **12.4 Receipt of Good Faith Deposit**

The Lender acknowledges receipt of the Good Faith Deposit which is to be applied to the Loan Fee, net of expenses, in the event the Lender executes this Loan Agreement.

The Good Faith Deposit will be forfeited to the Lender as liquidated damages and not as penalty in each of the following circumstances:

- (i) if, because of the Borrower's failure or inability for any reason whatsoever to comply with any terms or conditions relating to initial Advance in this Agreement by November 23, 2018.
- or
- (ii) if, for any reason, the Borrower does not accept all or a portion of the proceeds of the Acquisition Facility when the Lender makes it available;
- or
- (iii) if the Borrower enters into a loan commitment with another Lender respecting the Secured Property prior to the initial Advance of the Acquisition Facility;
- or
- (iv) if the Borrower fails, refuses or is unable to comply with any of the terms and conditions as set forth in the Agreement, and/or in the Security.

For greater clarity, if none of the foregoing occur, the Good Faith Deposit will be returned to the Borrower in full, without deduction or set off, if the Lender does not advance the Acquisition Facility.

Notwithstanding the forfeiture of the Good Faith Deposit, the Obligors shall remain liable to reimburse the Lender for any reasonable due diligence costs and legal expenses, whether or not the Lender makes an advance of the Loan. The Lender's Agreement with respect to the Good Faith Deposit is enforceable by the Lender, independent of the existence of this Agreement.

## **Section 13 - GENERAL**

### **13.1 Further Assurances**

Each Obligor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such other acts, agreements, instruments and assurances as the Lender or its counsel shall reasonably require for the better accomplishing and effectuating the provisions of this Agreement.

### **13.2 Time is of the Essence**

Time shall be of the essence of this Agreement and of each of the provisions hereof.

### **13.3 Amendments**

Neither this Agreement, nor any Document may not be amended or altered except by instrument in writing signed by the Lender and the Borrower.

### **13.4 Severability**

If any covenant, obligation, term or condition of this Agreement or any of the Documents or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or such Document or the application of such covenant, obligation, agreement, term or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation, agreement, term and condition of this Agreement or such Document shall be separately valid and enforceable to the fullest extent permitted by law.



### **13.5 Changes Required by Context**

This Agreement and each Document shall be read with all changes of gender and number required by the context. Any reference to the successors and assigns of a corporate entity includes the heirs, executors, administrators and assigns of a natural person.

### **13.6 Legislation**

Reference to any legislation means such legislation as amended and in effect at the relevant time.

### **13.7 Headings**

The article headings and section headings of this Agreement and in each Document have been inserted for convenience of reference only and do not form part of this Agreement or such Document. They shall not be referred to in the interpretation of this Agreement or such Document.

### **13.8 Whole Agreement**

This Agreement and the Documents contain the whole agreement between the parties with respect to the subject matter of this Agreement and the Documents. There is no promise, inducement, representation, warranty, collateral agreement or condition affecting this Agreement and the Documents other than as expressed in this Agreement and the Documents. The schedules and appendices to this Agreement form part of this Agreement.

### **13.9 Counterparts**

This Agreement has been executed in a number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

### **13.10 Meanings of Certain Terms**

Unless otherwise defined herein, each word and phrase with initial capitals used in this document shall have the meaning assigned to it in the *Personal Property Security Act*, (Alberta) if defined therein.

### **13.11 Applicable Law**

This Agreement shall be construed in accordance with the laws of the Province of Alberta and of Canada applicable therein, without regard to principles of conflict of laws. The Obligors attorn to the non-exclusive jurisdiction of the Province of Alberta.

### **13.12 Assigns**

The Lender shall at any time, with reasonable prior notice to the Borrower be entitled to assign all or part of its right, title and interest in this Agreement or either of the Facilities, including by way of participation, syndication or securitization and may disclose information regarding the Secured Properties, the Facilities, or the Obligors to the extent and in the manner that the Lender may deem appropriate in order to complete any such transaction. The Lender shall be responsible for any additional costs or expenses incurred by the Obligors that arise as a direct result of such assignment by the Lender. Notwithstanding the foregoing, the Lender shall not be entitled to assign all or part of its right, title and interest in this Agreement or either of the Facilities to a direct competitor of the Borrower or the Guarantor or to a private equity firm.

**13.13 No Assignment by Borrower**

The Borrower shall not assign, pledge, encumber or mortgage its rights hereunder.

**13.14 Enurement**

This document and all its provisions shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrower and its successors and assigns.

**13.15 Confidentiality**

The Borrower acknowledges and agrees that the terms and conditions recited herein are confidential between the Borrower and the Lender and its advisors and investors. The Borrower agrees not to disclose the information contained herein to a third party without the express written consent of the Lender. After the completion of the advance of the Loan, if a Loan is granted, the Borrower agrees that the Lender may publish details of this transaction, including in any press release, the Lender's marketing materials and in any online forum, without requiring any further consent from the Borrower.

**13.16 Non-Merger**


The Borrower's Obligations as contained in this Loan Agreement (and to the extent that those Obligations are not repeated in the Security) shall survive the execution and registration of the Security and all Advances of funds, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the Security. In the event of an express conflict between this Agreement and the Security, then this Agreement shall prevail. There is no conflict if the terms of the Security expand or clarify the terms of this Agreement.

*[signature page follows]*



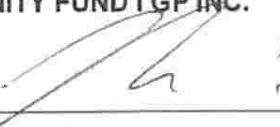
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**SCREO I GILL INC.**

By:   
 Name: \_\_\_\_\_  
 Title: **Ramsey Ali**  
**Authorized Signing Officer**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**SLATE CANADIAN REAL ESTATE  
 OPPORTUNITY I FUND L.P. by its general  
 partner SLATE CANADIAN REAL ESTATE  
 OPPORTUNITY FUND I GP L.P. by its general  
 partner SLATE CANADIAN REAL ESTATE  
 OPPORTUNITY FUND I GP INC.**

By:   
 Name: \_\_\_\_\_  
 Title: **Ramsey Ali**  
**Authorized Signing Officer**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**TIMBERCREEK MORTGAGE SERVICING INC.**

By:   
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By:   
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Schedule A**

**Properties**

**Joffre Place - 708 -11th Avenue Southwest, Calgary, AB**

**PLAN A1  
BLOCK 67  
LOTS 21 TO 28 INCLUSIVE  
EXCEPTING FIRSTLY OUT OF LOT 28 THE WEST 0.12 METRES  
EXCEPTING SECONDLY AS TO SUFACE ONLY THAT PORTION FOR STREET  
WIDENING ON PLAN 8010836**

**Life Plaza - 734 - 7th Avenue Southwest, Calgary, AB**

**PLAN A1  
BLOCK 33  
THE WEST 4 INCHES OF LOT 33 AND ALL OF LOTS 34 TO 40 INCLUSIVE  
EXCEPTING THEREOUT A PORTION AS TO SURFACE ONLY FOR ROAD  
WIDENING ON PLAN 8311721**

**SCHEDULE "B"**

All insurance policies must be forwarded to our insurance consultants, Proincon, 300-570 Portage Avenue, Winnipeg, MB R3C 0G4 Attn: Wayne Fast Phone (204) 953-6222 Fax (204) 953-6220 [wfast@proincon.ca](mailto:wfast@proincon.ca) for their review and comments upon the acceptance of this commitment. The Lender's insurance consultants will review the insurance policies; the cost of which shall be for the account of the Borrower and will, therefore, be deducted from the initial advance of the funds under this loan.

The Borrower shall place and keep in force throughout the Term of the Loan the following insurance coverage, in respect of the Property and all such insurance coverage shall be placed and kept in force with a company or companies reasonably satisfactory to the Lender and the Lender shall receive certificates of insurance policies of insurance signed by the insurer or insurers which policies are to be in form and content reasonably satisfactory to the Lender. Where, under the insurance policies described below, loss is payable to the Lender, such insurance policies shall show the loss payable to the Lender as first mortgagee.

Evidence of insurance satisfactory to the Lender and/or its insurance consultant shall be provided prior to the advance of the loan.

**Permanent Coverage**

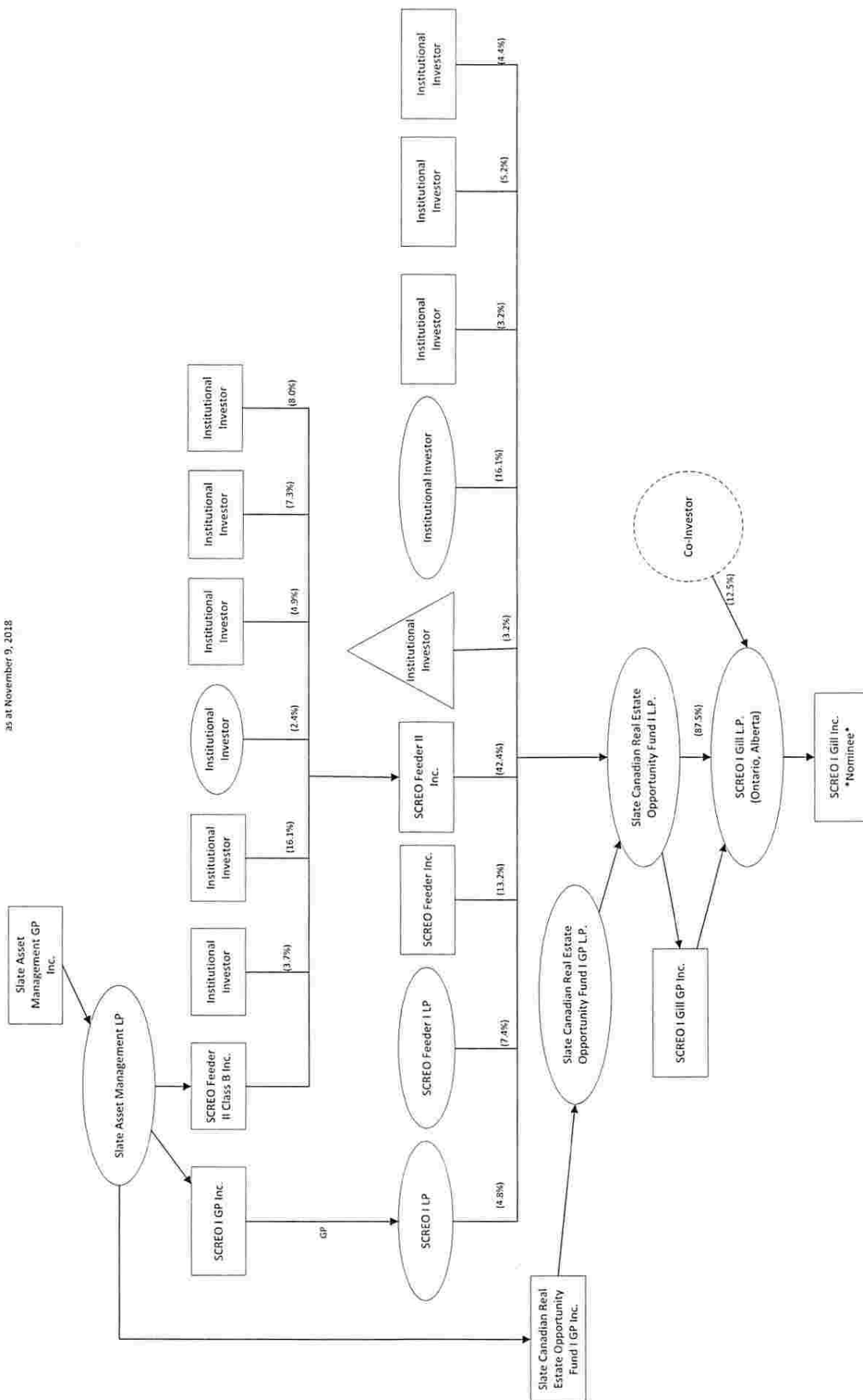
- i) Property insurance in an amount not less than one hundred per cent (100%) of the replacement cost and providing coverage by way of an "all risks" policy of insurance including earthquake and flood, together with a replacement cost endorsement with the "same site" provisions removed.
- ii) Fire and extended coverage and malicious damage, including leakage from fire protection equipment on a stated amount replacement cost basis with the "same site" provisions removed with first loss payable to the Lender by way of an approved mortgage clause. The policy must include a stated amount co-insurance clause. Permission should be granted for the Improvements to be completed and to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy.
- iii) Comprehensive broad form boiler insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and replacement and including Use and Occupancy coverage, for an amount satisfactory to the Lender with first loss payable to the Lender by way of a boiler and machinery insurance association mortgage clause.
- iv) Comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5,000,000 per occurrence, written on an inclusive basis with the Mortgagee shown as an additional insured.

- v) Rental insurance coverage sufficient to cover 100% of the gross annual rentals from the Property for a period of twelve (12) months, based on the greater of actual or projected rentals.

All cancellation and alteration clauses in the above-referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide that the insurer will endeavor to provide at least thirty (30) days prior notice to the Lender of such cancellation or of any material alteration. The Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time reasonably consider advisable or desirable and in respect of which insurance coverage may be available and which is obtained by reasonably prudent owners of properties that are similar to the Property in the City of Calgary.

**JOFFRE/LIFE STRUCTURE**

as at November 9, 2018



## SCHEDULE "D"

### OFFICER'S CERTIFICATE RE: BUILDERS' LIEN ACT

**TO:** Computershare Trust Company of Canada, as agent, nominee and bare trustee for and on behalf of Timbercreek Mortgage Servicing Inc. (the "**Lender**")

**RE:** Loan Agreement dated November \_\_\_\_, 2018, between \_\_\_\_ (the "**Borrower**"), as borrower, Slate Canadian Real Estate Opportunity Fund I L.P., as guarantor, and the Lender, as lender, (the "**Loan Agreement**") secured by a first mortgage loan registered against the lands located in the City of Calgary which are legally described as:

PLAN A1

BLOCK 67

LOTS 21 TO 28 INCLUSIVE

EXCEPTING FIRSTLY OUT OF LOT 28 THE WEST 0.12 METRES

EXCEPTING SECONDLY AS TO SURFACE ONLY THAT PORTION FOR STREET

WIDENING ON PLAN 8010836

and

PLAN A1

BLOCK 33

THE WEST 4 INCHES OF LOT 33 AND ALL OF LOTS 34 TO 40 INCLUSIVE

EXCEPTING THEREOUT A PORTION AS TO SURFACE ONLY FOR ROAD

WIDENING ON PLAN 8311721

(collectively, the "**Lands**")

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I, \_\_\_\_\_, of the City of \_\_\_\_\_, in the Province of \_\_\_\_\_, hereby certify in my capacity as an officer of the Borrower and without personal liability that, to the best of my knowledge:

1. as of the date of this certificate, I am an authorized signing authority of the Borrower, the registered owner of the Lands;
2. all accounts for labour, contracts, subcontracts, products, materials services, and construction machinery and equipment have been and will continue to be paid in full as required by the contracts, except for: (i) holdback monies which have been and will continue to be properly retained; (ii) payments deferred by agreement, which the Borrower has disclosed to the Lender; and (iii) amounts withheld by reason of legitimate dispute, which amounts and disputes have been disclosed to the Lender;
3. all holdbacks pursuant to the *Builders' Lien Act* (Alberta) required to be held by the Borrower have been and will continue to be maintained; and
4. this certificate is made for the purposes of inducing the Lender to advance funds to the Borrower pursuant to the terms of the Loan Agreement.

IN WITNESS WHEREOF the undersigned has duly executed this certificate this \_\_\_\_ day of \_\_\_\_\_, 2018.

## **Appendix B - SCREO 700 Loan Agreement**

## **LOAN AGREEMENT**

**THIS LOAN AGREEMENT** is made as of November 27, 2018

### **BETWEEN:**

**SCREO I 700 2ND INC. and 58508 ALBERTA LTD.**  
collectively as "Borrower"

-and-

**SLATE CANADIAN REAL ESTATE OPPORTUNITY FUND I L.P.**  
as "Guarantor"

-and-

**TIMBERCREEK MORTGAGE SERVICING INC.**  
as "Lender"

**WHEREAS** the Lender, at the request and on behalf of the Borrower, has arranged to provide loan facilities to assist the Borrower with the financing and re-positioning of real estate assets;

**NOW THEREFORE** the parties hereto agree as follows:

### **Section 1 DEFINITIONS**

#### **1.1 Definitions**

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

**"Adjusted Net Operating Income"** means, with respect to the Secured Property and for a given period, the sum of the following (without duplication), calculated on a pro forma basis to the satisfaction of the Lender, acting reasonably:

- (a) rents, expense recoveries, and other revenues received in the ordinary course from the leasing or operating of the Secured Property based on an annualized rent roll of tenants in place (for greater clarity, the in place rent roll of a particular month, annualized) and not in default, plus
- (b) rents, expenses recoveries, and all other revenues related to New Tenants, calculated as if the New Tenant is in place on the Lease Execution Date and paying starting base and estimated additional rent as of the Lease Execution Date, regardless of free rent periods (base or gross free rent) provided for in the lease, minus
- (c) all expenses paid or accrued related to the ownership, operation or maintenance of the Secured Property, including but not limited to Taxes (other than Taxes comprised of income and corporation taxes), assessments and other similar charges, insurance, utilities, payroll costs, maintenance, repair and landscaping



expenses and on site marketing expenses, but in any event excluding amortization and depreciation, and general and administrative expenses.

Notwithstanding the above definition, if a New Tenant has been granted an in-term free rent period longer than the Waived Free Rent Period, the incremental in-term free rent period (above the Waived Free Rent Period) will be added to that New Tenant's respective Lease Execution Date for the purposes of the calculation, at the Lender's discretion, acting reasonably

**"Advance"** means a borrowing by the Borrower from the Lender and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Advances at a particular point in time.

**"Applicable Laws"** means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority, in each case to the extent having the force of law (collectively, the **"Law"**) relating or applicable to such Person, property, transaction, event or other matters and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation.

**"Appraisal"** shall mean a report prepared by an accredited Person acceptable to the Lender who has been selected to perform an appraisal, or to review existing appraisals prepared by other appraisers, of the Secured Property.

**"Appraised Value"** means the appraised value of the relevant Secured Property as set forth in the most recent Appraisal received by the Lender in respect of such Secured Property.

**"Beneficial Owner"** means SCREO I 700 2ND L.P.

**"Borrower"** means SCREO I 700 2ND INC. and 58508 ALBERTA LTD.

**"Business Day"** means a day of the year, other than Saturday or Sunday, on which banks are open for business in Toronto, Ontario.

**"Canadian Dollars"** means the lawful money of Canada.

**"Capital Expenditures"** means the costs incurred from time to time by the Borrower in connection with the repair or replacement of capital items, as identified in the Repositioning Costs budget provided by the Borrower and approved by the Lender, acting reasonably, and limited to the amount for the Secured Property as identified in the definition of "Repositioning Costs".

**"Change of Control"** means if the Borrower ceases to be controlled, directly or indirectly, by Slate Canadian Real Estate Opportunity Fund I L.P. or any other change of ownership, control, transfer or sale of the Secured Property, or part thereof without the Lenders prior written consent, which consent shall not be unreasonably withheld.

**"Closing Date"** means the 27<sup>th</sup> day of November, 2018 or such other date as may be agreed to by the parties.

**"Control"** means the possession directly or indirectly of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

**"Cost Consultant"** has the meaning set out in Section 6.2(a).

**"Custodian"** means Computershare Trust Company of Canada, as agent, bare trustee for and on behalf of the Lender.

**"Debt Capitalization Rate"** means, with respect to any period, the ratio of Adjusted Net Operating Income to the Advances outstanding at that time.

**"Default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default.

**"Documents"** means this Agreement, the Security and all security documents and certificates and other documents delivered, or to be delivered to the Lender pursuant to or in connection with this Agreement.

**"Event of Default"** has the meaning set out in Section 10.1.

**"Encumbrance"** means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of such Person's property.

**"Environmental Laws"** means all Applicable Laws, by-laws, rules, regulations, orders, judgments, ordinances, protocols, codes, guidelines, policies, notices and directions, all to the extent the same are enforceable, relating in whole or in part to the protection of the environment and occupational health and safety matters, and includes, without limitation, those Environmental Laws relating to the storage, generation, use, handling, transportation, treatment, Release and disposal of Hazardous Substances.

**"Equity Take Out Facility"** has the meaning given thereto in Section 2.1.

**"Equity Take Out Facility Amount"** means, the lesser of:

- (a) \$93,400,000; and,
- (b) 65% of the current "as is" appraised value of the Scotia Building as may be determined by the Lender, acting reasonably.

**"Facility"** means either the Equity Take Out Facility or the Repositioning Facility, and **"Facilities"** means both of such facilities.

**"Good Faith Deposit"** means the sum of \$500,000.00 referred to in Section 12.4.

**"Governmental Authority"** means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or, without limitation, any other law, regulation or rule-making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant

circumstances, or any person acting under the authority of any of the foregoing (including, without limitation, any arbitrator with the authority to bind the parties at law) or any other authority charged with the administration or enforcement of applicable laws.

**"Guarantor"** means Slate Canadian Real Estate Opportunity Fund I L.P.

**"Hazardous Substances"** means any substance that is discharged or released into the natural environment in contravention of applicable federal, provincial, or municipal laws that is likely to cause at some immediate or future time, material harm or degradation to the natural environment or injury, harm or material discomfort to any person and without restricting the generality of the foregoing, includes urea formaldehyde, asbestos, PCBs, radioactive materials, hazardous waste or dangerous goods that are regulated by applicable federal, provincial or municipal laws for the protection of the natural environment or human health.

**"Interest Adjustment Date"** means December 1, 2018.

**"Interest Payment Date"** means January 1, 2019 and the 1<sup>st</sup> day of each calendar month thereafter except, where such date is not a Business Day, the Interest Payment Date shall be the next Business Day thereafter.

**"Interest Rate"** means the floating rate equal to the TD Prime Rate + 2.80% calculated and payable monthly for the first thirty-five (35) months of the Loan Term, subject to a floor rate equal to the TD Prime Rate at the time of the initial advance of the Loan + 2.80% increasing to the TD Prime Rate + 4.80% thereafter unless a renewal is granted pursuant to the terms and conditions of the Renewal Option.

**"GLA"** means gross leasable area.

**"Lease Execution Date"** means the date when the applicable lease document is executed.

**"Leases"** means (i) all present and future leases, agreements to lease, licenses or other agreements in respect of each and every present and future tenancy, right of use or occupation of or license granted by the Borrower in respect of all or any part of any Secured Property, as they may be extended or renewed or replaced; (ii) any agreement whether written or oral amending any of the foregoing; and (iii) any present and future guarantee of or indemnity with respect to a tenant's Lease obligations whether included in a Lease or contained in a separate instrument.

**"Lender"** means Timbercreek Mortgage Servicing Inc.

**"Loan"** means the total advances made under the Facilities.

**"Loan Fee"** means the sum of \$1,613,000, being 1% of the maximum amount of the Facilities and payable in accordance with section 2.7.

**"Material Adverse Change"** means the occurrence of a material adverse change in the position and condition, financial or otherwise, of any Obligor, the Secured Property or an Obligor's title to the Secured Property as determined by the Lender, acting reasonably, which would be reasonably expected to materially impair the ability of any Obligor to timely and fully perform its obligations under this Agreement or any other Document to which it is a party or

would be reasonably expected to materially impair the ability of the Lender to enforce its rights and remedies under the Security.

**"Material Licenses"** means all licenses, permits or approvals issued by any Governmental Authority to any Obligor, and which are at any time on or after the date of this Agreement,

- (a) necessary or material to the business and operations of such Obligor or to the listing of its securities, the breach or default of which would result in a Material Adverse Change, or
- (b) designated by the Lender as a Material License, provided that the Lender has notified the Borrower of such designation.

**"Maturity Date"** means December 1, 2021.

**"New Tenants"** means any tenant for which a lease is executed but the tenant is not occupying and paying base and additional rent as of or after the Closing Date.

**"Obligors"** means the Borrower and the Guarantor.

**"Obligations"** means all present and future debts, liabilities and obligations of the Obligors to the Lender under this Agreement, the Security or any other Documents.

**"Permitted Encumbrances"** with respect to any Secured Property or asset means:

- (a) encumbrances for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with a Secured Property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing;
- (b) subdivision agreements, site plan control agreements, development agreements, servicing agreements, utility agreements and other similar agreements with Governmental Authorities or public utilities that do not materially impair the current use, operation or marketability of a Secured Property;
- (c) restrictive covenants, private deed restrictions, and other similar land use control agreements that do not materially impair the current use, operation or marketability of a Secured Property;
- (d) minor encroachments by a Secured Property over neighboring lands and/or permitted under agreements with neighboring landowners and minor encroachments over a Secured Property by improvements of neighboring landowners and/or permitted under agreements with neighboring landowners that, in either case, do not materially impair the current use, operation or marketability of a Secured Property;
- (e) any subsisting reservations, limitations, provisos, conditions or exceptions, including royalties, contained in the original grant of a Secured Property from the Crown;
- (f) all Leases, any caveats relating to the Leases, registrations and notices, with respect to the Leases, including any exclusivity provisions, restrictive covenants

and other rights contained therein, and leasehold mortgages or security interests relating to any tenant secured by such tenant's interest in its Lease or leased premises;

- (g) the provisions of all applicable laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning that do not materially impair the current use, operation or marketability of a Secured Property;
- (h) any minor title defects, irregularities, easements, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to a Secured Property as disclosed by the plan of survey, certificate of location or technical description;
- (i) the implied conditions and reservations contained in Sections 61(1) and 62 of the *Land Titles Act (Alberta)*, R.S.A. 2000, Chapter L.4, as amended;
- (j) any rights of expropriation, access or user or any other similar rights conferred or reserved by or in any statutes of Canada or the Province of Alberta;
- (k) any unregistered easements regarding the provisions of utilities to a Secured Property which do not materially impair the current use, operation or marketability of a Secured Property;
- (l) permits, licenses, agreements, easements, (including, without limitation, heritage easements and agreements relating thereto), restrictions, restrictive covenants, rights-of-way, public ways, rights in the nature of an easement and other similar rights in the land granted to or reserved by other persons (including, without in any way limiting the generality of the foregoing, permits, licenses, agreements, easements, rights-of-way, sidewalks, public ways, and rights in the nature of easements or servitudes for sewers, drains, steam, gas, and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the current use, operation or marketability of a Secured Property;
- (m) security given to a public utility or any municipality or governmental or other public authority when required by the operations of a Secured Property in the ordinary course of business, including, without limitation, the right of the municipality to acquire portions of a Secured Property for road widening or interchange construction and the right of the municipality to complete improvements, landscaping or remedy deficiencies in any pedestrian walkways or traffic control or monitoring to be provided to a Secured Property;
- (n) undetermined or inchoate liens incidental to construction, renovations or current operations, a claim for which shall not at the time have been registered against a Secured Property pursuant to the *Builders' Lien Act (Alberta)*;
- (o) any and all statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other encumbrances of any nature whatsoever which are not registered on the title to a Secured Property and of which the Borrower does not have notice, claimed or held by Her Majesty the Queen in

Right of Canada, Her Majesty the Queen in Right of the Province of Alberta, or by any other governmental department, agency or authority under pursuant to any applicable legislation, statute or regulation;

- (p) any lien, together with any certificate of action registered in respect thereof, a claim for which, although registered or of which notice has been given, related solely to work done by or on behalf of a tenant, and all Encumbrances affecting the Tenant's interest in a Secured Property;
- (q) any reference plans or plans in respect of the Secured Property so long as the plans are registered on title;
- (r) those specific registrations set out in Schedule "A".

**"Person"** means an individual, corporation, partnership, trust, unincorporated association, Governmental Authority or any combination of the foregoing.

**"Property Management"** has the meaning given to it in section 8.

**"Property Management Agreement"** means the property management agreement dated March 20, 2018 between SCREO I 700 2<sup>ND</sup> L.P. and Colliers Macaulay Nicolls Inc., as amended or supplemented from time to time.

**"Project Occupancy"** means, with respect to the Secured Property, the cumulative GLA that is subject to a Lease as of a particular month, divided by the aggregate GLA of the Secured Property. For greater clarity, this classification is to include GLA subject to Leases to New Tenants as of that New Tenant's respective Lease Execution Date.

**"Release"** means releasing, adding, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, dispersing, dispensing, disposing, depositing, spraying, inoculating, abandoning, throwing, placing, exhausting or dumping and "Released" has a comparable meaning.

**"Repositioning Costs"** are:

|                                           |                    |
|-------------------------------------------|--------------------|
| Capital Expenditures                      | \$31,100,000       |
| Tenant Improvements & Leasing Commissions | \$36,800,000       |
|                                           | <hr/> \$67,900,000 |

**"Repositioning Facility"** has the meaning given thereto in Section 2.4.

**"Repositioning Facility Amount"** means the lessor of:

- (a) the Repositioning Costs; and
- (b) 75% of "as if completed" appraised values of the Secured Property (when combined with the advance under the Equity Take Out Facility).

**"Relevant Jurisdiction"** means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada which such Person has its chief executive office or chief place of business or has Secured Property.

**"Renewal Option"** has the meaning given to it in section 3.4.

**"Secured Property"** means the properties described in Schedule "A" and generally known as **"Stephen Avenue Place"**.

**"Security"** means, collectively, mortgage, general security agreement, general assignment of rents and leases, guarantee, and other security documents executed and delivered to the Lender and/or the Custodian by an Obligor in connection with this Agreement.

**"Senior Officer"** means, for any Person, the authorized signing authority.

**"Significant Agreements"** means all material agreements and contracts now existing or from time to time entered into in the future or assigned to or obtained by the Borrower in respect of or relating to the Secured Property including any manufacturer's or contractor's warranties and the Property Management Agreement, (but not including leases to the tenants of the Secured Property); together with consents and acknowledgements as required.

**"Subsidiaries"** means, in relation to a Person, any Person that is directly or indirectly controlled by such first Person.

**"Taxes"** means all taxes of any kind or nature whatsoever, including income taxes, realty taxes, sales or value-added taxes, levies, stamp taxes, royalties, duties, and all fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed, as of the date hereof or at any time in the future, by any Governmental Authority having the power to tax, together with penalties, fines, additions to tax and interest thereon.

**"TD Bank Prime Rate"** means the annual interest rate that The Toronto Dominion Bank sets and adjusts at its discretion as a reference that the Bank will change for variable interest rate Canadian Dollar loans made in Canada and designated as its "prime rate". The TD Bank prime rate can be found on the Toronto Dominion Bank website.

**"Term"** means the period of 36 months from and including the Interest Adjustment Date to and including the Maturity Date, but subject to any renewals or extensions hereof.

**"TI/LC Expenditures"** means all costs relating to tenant improvements and leasing commissions incurred from time to time by the Borrower in connection with leases to New Tenants at the Secured Property approved by the Lender, acting reasonably, and limited to the amount for each Secured Property as identified in the definition of Repositioning Costs.

**"Waived Free Rent Period"** means in-term free rent for a period of twelve (12) months for a five (5) year lease term, twenty-four (24) months for a ten (10) year lease term or thirty-six (36) months for a fifteen (15) year lease term, with the applicable in-term free rent period to be adjusted on a pro rata basis for lease terms outside or between these explicitly defined lease terms.

## **1.2 Currency**

Except as otherwise specifically provided herein, all monetary amounts in this Agreement are stated in Canadian Dollars.

## **Section 2 FACILITY**

### **2.1 Equity Take Out Facility**

On and subject to the terms and conditions of this Agreement, the Lender hereby establishes in favour of the Borrower an Equity Take Out Facility of up to \$93,400,000.00.

### **2.2 Equity Take Out Facility to be Non-Revolving**

Any monies paid in reduction of the Equity Take Out Facility shall be a permanent reduction of the availability thereunder and may not thereafter be re-borrowed.

### **2.3 Use of Equity Take Out Facility**

The Equity Take Out Facility shall be used to take out the existing equity of the Secured Property.

### **2.4 Expiry of Equity Take Out Facility**

In the event the Equity Take Out Facility is not advanced by the \_\_\_ day of \_\_\_\_\_, 2018, the Loan Agreement will be null and void and the Good Faith Deposit will be forfeited to the Lender only in the event that any of the circumstances described in section 12.4 occurs. For greater certainty if the Equity Take Out Facility is not advanced for any reason other than as described in section 12.4, the Good Faith Deposit shall be returned to the Borrower in full without deduction or set-off.

### **2.5 Repositioning Facility**

On and subject to the terms and conditions of this Agreement, the Lender hereby establishes in favour of the Borrower a Re-Positioning Facility of up to \$67,900,000.00.

### **2.6 Repositioning Facility to be Non-Revolving**

Any monies paid in reduction of the Repositioning Facility shall be a permanent reduction of the availability thereunder and may not thereafter be re-borrowed.

### **2.7 Loan Fee**

In consideration of the Lender establishing the Facilities, the Borrower shall pay to the Lender the Loan Fee to be deducted from the initial Advance under the Equity Take Out Facility made hereunder.

### **2.8 Record of Indebtedness**

The indebtedness of the Borrower resulting from the Advances shall be evidenced by records maintained by the Lender. The Lender shall enter in the foregoing records details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The records maintained by the Lender shall constitute in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Lender. The failure of the Lender to correctly record any such amount or date shall not in any way affect the obligation of the Borrower to pay all amounts due to the Lender under this Agreement pursuant to, and in accordance with, this Agreement. After a request of the Borrower, the Lender will advise the Borrower of such entries made in the Lender's records.



### **Section 3 REPAYMENT**

#### **3.1 Repayment on Maturity Date**

Unless the Advances outstanding under the Facilities are required to be paid at an earlier date pursuant to the terms hereof, both of the Facilities shall terminate on the Maturity Date, and on such date all Advances outstanding under the Facilities, together with all accrued and unpaid interest thereon and all other fees and charges payable in connection therewith, shall become immediately due and payable without the Lender having to make demand therefor.

#### **3.2 Prepayment**

In respect of each Advance under the Equity Take Out Facility and the Repositioning Facility:

- (i) no voluntary prepayment thereof will be permitted during the first 6 months following the date such Advance is made; and
- (ii) following the expiry of each such 6 month period, the amount of such Advance may be fully or partially repaid without penalty subject to the Borrower providing the Lender with 60 days' prior written notice of such prepayment.

This prepayment right can only be exercised if the Loan is not in default.

#### **3.3 Partial Discharges**

Intentionally Deleted

#### **3.4 Renewal Option**

The Borrower shall have two (2) twelve-month renewal options (the "**Renewal Option**" and / or the "**Renewal Term**"), provided that:

- (a) the Loan is not then and has not been in default more than twice since the Interest Adjustment Date, only one of which may be a default of a financial obligation under the Security. For greater certainty, the Borrower is not allowed more than one financial default under the Security to be eligible for each Renewal Term;
- (b) the weighted average committed occupancy of the Secured Property is not less than it was at the time of funding;
- (c) leasing update and evidence of positive leasing momentum/negotiations for the vacant space/tenant turnover/renewals satisfactory to the Lender acting reasonably;
- (d) the Lender receives written notice 30 days prior to the expiry of the Initial Term or the first Renewal Term;
- (e) the Lender receives a renewal fee equal to 0.50% for each of the Renewal Terms. The interest rate for each of the Renewal Terms will be floating at the TD Prime Rate + 2.80% calculated and payable monthly, subject to a floor rate equal to the TD Prime Rate at the time of the initial Advance of the Loan +2.80%, for the first eleven (11) months of the Renewal Term increasing

thereafter to the TD Bank prime rate +4.80%. Interest on advanced funds will be calculated and payable monthly.

#### **Section 4 INTEREST**

##### **4.1 Interest**

The Borrower shall pay interest on Advances at a rate per annum equal to the Interest Rate applicable to such Advance. Interest on Advances shall be payable monthly in arrears on each Interest Payment Date. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, as the case may be, to but excluding the date on which interest is payable, with interest on overdue interest at the same rate payable on demand monthly in arrears.

#### **Section 5 INDEMNIFICATION FOR TAXES**

##### **5.1 No Withholding for Taxes**

Each payment under this Agreement, or any of the Security shall be made by the Borrower without set-off, compensation or counterclaim, free and clear of and without any deduction or withholding for or on account of any Taxes other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada.

##### **5.2 Indemnification**

The Borrower shall fully indemnify the Lender from and against any Taxes (including interest and penalties), losses and expenses which the Borrower is required to withhold or fails to pay (other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada) on an after-tax basis. The Borrower shall pay all Taxes (other than taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada) with respect to the Advances or any amount otherwise payable under this Agreement or any of the Security including, without limitation any sales taxes or goods and services taxes.

##### **5.3 Excluded Taxes**

The Borrower shall not be required to make any payment to the Lender pursuant to Section 5.2 with respect to taxes on the income or capital of the Lender imposed by Canada or any jurisdiction competent to levy Taxes within Canada.

##### **5.4 Lawful Interest Rate**

Notwithstanding anything herein to the contrary, if at any time the Interest Rate applicable to any Advance together with all fees, charges and other amounts that are treated as interest on such Advance under Applicable Law (collectively the "**charges**"), shall exceed the maximum lawful rate (the "**maximum rate**") that may be contracted for, charged, taken, received or reserved by the Lender in accordance with Applicable Law, the rate of

interest payable in respect of such advance hereunder, together with all of the charges payable in respect thereof, shall be limited to the maximum rate.

## **Section 6 CONDITIONS**

### **6.1 Advance under the Equity Take Out Facility**

The making of the initial Advance under the Equity Take Out Facility is subject to and conditional upon the Lender receiving, reviewing and approving the following documents, which must be to the Lender's satisfaction acting reasonably:

- (a) Receipt of the ownership structure of the Borrower and the Guarantor including shareholders, beneficial owners, and a corporate organizational chart which is to be signed and dated. The organization chart will include percentage share of ownership of LP/GP structure, as applicable, and said information shall be satisfactory and sufficient to comply with the Lender's anti-money laundering requirements;

The Borrower and the Guarantor will be required to produce identification and such other documentation as may be required acceptable to Lender and Lender's solicitor at the time the mortgage documentation is signed, and prior to any funds being advanced, for the purpose of compliance with the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and Regulations thereunder. Such identification shall include at least two documents, with at least one document including photo ID, together with a solicitor's confirmation that the identity of all persons signing as or on behalf of the Borrower and the Guarantor have been identified as the proper persons to sign. Lender to be provided with copies (front and back) of any identification documents together with a solicitor's certification that the copies are true copies of the original documents.

- (b) Most recent financial statements for the Borrower. If the Borrower is a newly incorporated entity, an opening balance sheet will be required;
- (c) Most recent financial statements for the Guarantor; [this condition is satisfied]
- (d) Satisfactory bank/credit reports for the Borrower and Beneficial Owners of the Secured Property;
- (e) Last three fiscal years' operating statements including year to date (from March 2018) and 12 months trailing operating statements for the Secured Property (confirming taxes, utilities, insurance, repairs/maintenance and any other operating expenses relating to the Property) and pro forma operating statements for 2018;
- (f) A current monthly aged receivables/rental arrears report from March 2018 with respect to the Secured Property;
- (g) A certified rent roll for the Secured Property. The rent roll shall confirm "as is" rents as well as "to be achieved" rents on unit roll over;

- (h) Leases affecting the Secured Property accompanied by estoppel certificates for all tenants in the Secured Property in the form attached hereto as Schedule "D".

In the event the Borrower has not obtained estoppel certificates from all the tenants on or before all other conditions in section 6.1 are satisfied, the Borrower shall provide an undertaking to use all commercially reasonable efforts to obtain such outstanding estoppels post-funding and a certificate of an officer of the Borrower to his or her knowledge in lieu of any non-obtained estoppel certificates attesting (in his or her capacity as an officer and not in a personal capacity) to the same matters contained in the non-obtained estoppel certificates. Where the Borrower's certificate is delivered in lieu of an executed estoppel certificate, the Borrower may, at any time after initial funding, deliver the executed estoppel certificate for such tenancies to the Lender, in which event the Borrower's certificate with respect to such tenant shall be of no further force and effect, to the extent such estoppel certificate does not evidence any issues.

- (i) 2018 property tax bills for the Secured Property;
- (j) Detailed pro forma income and expense statement, capital expenditures and tenant improvements allowance budget prepared by the Borrower and outlining the Borrower's repositioning program at the Secured Property, including, but not limited to, timing or leasing, cash flow, market leasing assumptions;
- (k) Copies of all material contracts affecting the Secured Property, including, but not limited to the Property Management Agreement;
- (l) Current AACI appraisal report for the Secured Property supporting an aggregate as is value of no less than the purchase price and an "as if completed" value of not less a value resulting in a fully advanced loan to value ratio not exceeding 75% accompanied by a letter of transmittal addressed to the Lender and confirming that the report can be used for mortgage financing purposes;
- (m) Satisfactory Phase I (Phase II if applicable) environmental report accompanied by a letter of transmittal to the Lender, and confirming that the report can be used for mortgage financing purposes;
- (n) Building Condition Assessment (BCA) report for the Property accompanied by a letter of transmittal addressed to the Lender and confirming that the report can be used for the mortgage financing purposes;
- (o) A copy of the ground lease and all amendments thereto;
- (p) Satisfactory site inspection by the Lender and a site inspection fee of \$2,000;
- (q) Confirmation that there are no liens or Encumbrances registered against the Secured Property other than the Permitted Encumbrances;
- (r) The Loan shall be conditional of the approval of the Loan by the Lender's Investment Committee, such approval to be at its sole discretion; and
- (s) Evidence that the Secured Property are classified or zoned for the present and contemplated future development. This condition may be satisfied by title insurance.

## 6.2 Conditions Precedent to Advances under the Repositioning Facility

The making of any Advances under the Repositioning Facility are subject to and conditional upon the Lender securing, reviewing and approving the following documentation which must be to the Lender's satisfaction, acting reasonably:

- (a) The written report of an independent project cost consultant appointed by the Lender (the "**Cost Consultant**"), at the cost of the Borrower, certifying the adequacy and approval of the following, acting reasonably:
  - (i) final plans and specifications, which comply with all provincial and municipal requirements, and that all construction work can be completed in accordance with approved plans and specifications. Any amendments to the final plans and specifications are subject to confirmation by the Cost Consultant and are to be approved by the Lender, acting reasonably;
  - (ii) compliance with building codes and zoning regulations, and provisions of all building and development permits, including excavation and building permits;
  - (iii) construction schedule submitted by the Borrower including a monthly construction draw schedule and cashflow projection forecasting the amount and time of draw;
  - (iv) project budget submitted by the Borrower, including a detailed breakdown of original estimate of costs, revised costs per change orders (if any), completed construction to date, costs to complete and construction lien holdbacks, and confirmation that the undisbursed portion of the Loan will cover remaining costs to complete the project;
  - (v) confirmation that contingency included in the budget is adequate/sufficient for the project; and
  - (vi) that all required construction advances are made on a work in place/cost to complete basis;
- (b) Copy of all construction contracts;
- (c) Copy of all paid invoices;
- (d) Evidence of payment of applicable taxes, including monthly GST/HST filings;
- (e) Executed leases for all other tenants occupying the Secured Property, accompanied by estoppel certificates in the form attached hereto as Schedule "D".

In the event the Borrower has not obtained estoppel certificates from all the tenants on or before all other conditions in section 6.2 are satisfied, the Borrower shall providing an undertaking to use all commercially reasonable efforts to obtain such outstanding estoppels post funding and a certificate of an officer of the Borrower to his or her knowledge in lieu of any non-obtained estoppel certificates attesting (in his or her capacity as an officer and not in a personal capacity) to the same matters contained in the non-obtained estoppel certificates. Where the Borrower's certificate is delivered in lieu of an executed estoppel certificate, the Borrower may, at any time after initial funding, deliver the executed estoppel certificates for such tenancy to the Lender, in which event the Borrower's certificate with respect to such tenant shall be of no

further force and effect, to the extent such estoppel certificate does not evidence any issues.

- (f) Confirmation established by estoppel certificates or other document acceptable to the Lender acting reasonably, that tenant improvements have been paid to the tenants in accordance to their respective Leases;
- (g) Advances under Capital Expenditures shall be consistent with the Repositioning Costs budget provided by the Borrower and verified by the Lender and the cost consultant;
- (h) Advances relating to Repositioning Costs shall further be subject to the following:
  - The Borrower shall have the right to draw a maximum of \$31,100,000 at the equivalent amount of 100% of the Capital Expenditures budget, on a cost-to complete basis, prior to any leasing being completed;
  - The Borrower shall have the right to draw 25% of the total TI/LC Expenditures budget, to a maximum of \$9,200,000, subject to confirmation of an aggregate Project occupancy rate of not less than 70%;
  - The Borrower shall have the right to draw an additional 50% of the total TI/LC Expenditures budget, to a maximum of \$18,400,000, and subject to a Debt Capitalization Rate of not less than 7.5%, as determined by the Lender, acting reasonably. For greater clarity, the Borrower shall have access to 75% of its total TI/LC Expenditures budget, up to a maximum aggregate amount of \$27,600,000, subject to a Debt Capitalization Rate of not less than 7.5%;
  - The Borrower shall have the right to draw the balance of the total TI/LC Expenditures budget, subject to a Debt Capitalization Rate of not less than 8.5%, as determined by the Lender, acting reasonably and shall not exceed the cumulative of the lesser of 100% of the TI/LC Expenditures budgeted costs or \$36,800,000; and
  - TI/LC Expenditures and related landlord work shall be consistent with the Repositioning Costs budget provided by the Borrower.
- (i) It is the intention of the parties hereto that the Borrower draw the amount allocated to the Capital Expenditures first, but in the event that the Borrower draws amounts allocated to TI/LC Expenditures prior to fully drawing on the Repositioning Facility for Capital Expenditures, then the draw for TI/LC Expenditures shall be subject to the then-applicable Debt Capitalization Rate test as if the Repositioning Facility for Capital Expenditures has been fully Advanced.
- (j) A certificate from a Senior Officer of the Borrower (without personal liability) in the form attached as Schedule "E" confirming, *inter alia*, that all necessary holdbacks are being maintained.

### **6.3 Funding Conditions of Repositioning Facility**

The following shall govern any Advances under the Repositioning Facility:

- (a) All Advances will be on a work in place/cost to complete basis;

- (b) Requests for Advances shall be for a minimum of \$250,000 and shall not be made more than once per month;
- (c) The Borrower shall provide the Lender with 10 days written notice for advance requests between \$500,000 and \$2,000,000, and 20 days written notice for advance requests in excess of \$2,000,000.
- (d) Receipt of a certificate of title for the Secured Property that is satisfactory to the Lender, acting reasonably, from the Lender's solicitor immediately prior to the calculation and processing of each Advance.
- (e) Any costs over and above the Repositioning Facility amount shall be deemed a cost overrun and the Borrower shall immediately inject additional equity from its own resources to recover such cost overrun prior to any Advances.
- (f) The Lender reserves the right to deduct and withhold from any Advance additional amounts due to suppliers or contractors in order to comply with the relevant builders' lien statute and to protect the Lender's first priority interest in the Secured Property. Furthermore, the Lender shall have the right but not the obligation, and the Borrower hereby irrevocably authorizes and directs the Lender, to make or cause to be made advances and/or payments as the Lender deems necessary directly to suppliers or contractors, for the Borrower's account, and same shall be deemed advance directly to the Borrower.
- (g) A certificate from a Senior Officer of the Borrower (without personal liability) in the form attached as Schedule "E" confirming, *inter alia*, that all necessary holdbacks are being maintained.
- (h) The Lender is entitled to an Advance fee of \$500 for each Advance which will be deducted from the gross Advance.
- (i) All Advances under the Repositioning Facility shall be funded on pro-rata cost in place/cost to complete basis.

## Section 7 COVENANTS

### 7.1 Covenants

The Borrower hereby covenants with the Lender that:

- (a) the Borrower shall pay duly and punctually all sums of money due by it under the terms of this Agreement and the Guarantor shall duly and punctually pay all sums of money due by it under the guarantee provided by it in favour of the Lender at the times and places and in the manner provided for herein;
- (b) each Obligor shall maintain its existence;
- (c) the Borrower shall diligently maintain, use and operate the Secured Property and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Secured Property;
- (d) the Borrower shall maintain, or cause to be maintained, in its name and in the name of the Lender as loss payee, with responsible and reputable insurers, insurance with respect to its properties, assets and business as provided for in Schedule "B";

- (e) each Obligor shall do, observe and perform all matters and things necessary or expedient to be done, observed or performed in accordance with the requirements of all applicable regulatory authorities for the purpose of
  - (i) carrying on and conducting its business, and
  - (ii) owning and possessing its properties and assets;
- (f) each Obligor shall promptly pay, or cause to be paid all Taxes, rates, government fees and duties levied, assessed or imposed upon it, its properties and assets or any part thereof and upon its income and profits, as and when same shall become due and payable save when and so long as any such Taxes, rates, fees or duties are in good faith contested by it as may be affected thereby;
- (g) the Borrower shall provide the Lender with satisfactory evidence of payment of all real property taxes in respect of the Secured Property on a semi-annual basis;
- (h) the Borrower shall give to the Lender prompt notice of any Default or Event of Default under this Agreement;
- (i) the Borrower shall repair or cause to be repaired and will keep or cause to be kept in good order and repair the Secured Property from time to time to the standard as would be done by a prudent owner of similar property in the circumstances, and will at all reasonable times, subject to the provisions of any leases and the rights of the tenants pursuant thereto, allow the Lender or its duly authorized representatives access to the same in order to view the state and condition thereof;
- (j) the Borrower shall promptly provide written notice to the Lender of any default or notice of default served by or received by the Borrower in respect of any Permitted Encumbrance;
- (k) in respect of Leases, the Borrower shall:
  - (i) perform and observe all of the landlord's obligations under the Leases or imposed by law in all material respects; and,
  - (ii) not attempt to collect either the payment or the prepayment of rent for a period greater than six (6) months in any manner and at any time other than that stipulated in the Lease;
- (l) the Borrower shall not, without the Lender's prior written consent, not to be unreasonably withheld, incur, create, assume or permit to exist any Encumbrance (other than Permitted Encumbrances) on the Secured Property;
- (m) the Borrower shall not, without the Lender's prior written consent not to be unreasonably withheld, sell, convey, transfer, dispose of or enter into an agreement for sale or transfer of all or any part of the Secured Property, such consent shall not be unreasonably denied, delayed, withheld or conditioned, except such consent will be conditional on the Borrower's compliance with all other terms of this Loan Agreement, including the conditions set out in Section 3.3 hereof;



- (n) the Obligors shall use the Advances only for the purposes set forth in Section 2;
- (o) the Obligors shall observe and conform to all valid requirements of any Governmental Authority relative to the Secured Property and all covenants, terms and conditions upon or under which the Secured Property is held, including without limitation, all requirements with respect to health and safety and the environment;
- (p) each of the Obligors shall keep proper books of accounts in accordance with sound accounting practices;
- (q) the Borrower shall give written notice to the Lender of all material litigation before any court, administrative board, or other tribunal affecting any Obligor or its property;
- (r) the amounts owing to the Lender from time to time pursuant hereto shall be paid to the Lender without regard to any equities between any Obligor and the Lender or to any right of set-off or cross-claim;
- (s) the Borrower shall not change its name without providing the Lender at least 15 days' prior written notice;
- (t) the Borrower shall not continue into any other jurisdiction without providing the Lender at least 15 days' prior written notice; and
- (u) the Borrower shall not carry on any business other than:
  - (i) the business carried on by it on the date hereof, which for greater certainty, is the operation of the Secured Property, or
  - (ii) any other business of which the Borrower is permitted to carry on in accordance with its organizational documents.
- (v) within 120 days from the end of the fiscal year of the Borrower, the Lender shall be provided with financial statements detailing a complete list of material assets and liabilities satisfactory to the Lender acting reasonably. The statements are to be management prepared and will include a balance sheet and a detailed statement of income and expenditures. The Lender shall also be provided with property level operating statements and rent rolls on a quarterly basis. Within 120 days from the end of the fiscal year of the Guarantor, the Lender shall be provided with annual audited statements from the Guarantor.

## **Section 8**

### **REPRESENTATIONS AND WARRANTIES**

#### **8.1 Representations and Warranties**

The Borrower (on behalf of both itself and each other Obligor) represents and warrants as follows to the Lender and acknowledges and confirms that the Lender is relying upon such representations and warranties:

- (a) each Obligor is duly qualified to carry on business in all jurisdictions in which it carries on its business, unless the failure to so qualify would have no material adverse effect on such Obligor or any Secured Property, has all Material

Licenses, and has not adopted nor designated any name (including any French name) other than the English form of such names as set out herein;

- (b) each Obligor has the power, authority and right to enter into and deliver, and to exercise its rights and perform its obligations under, the Security to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Security;
- (c) the Borrower has the power, authority and right to own the Secured Property and carry on its business as currently conducted, or as currently proposed to be conducted, by it;
- (d) each Obligor has taken all necessary action to authorize the creation, execution, delivery and performance of this Agreement and the Security to which it is a party and to observe and perform the provisions of each in accordance with its terms;
- (e) this Agreement constitutes and, when executed and delivered, each of the Security to which any Obligor is a party will constitute binding obligations of such Obligor, as the case may be, in accordance with their respective terms;
- (f) neither the execution and delivery of this Agreement nor any Document, nor compliance with the terms and conditions of any of them, (i) has resulted or will result in a violation of any Obligor's Organizational Documents or any resolutions passed by its or the such Obligor's board of trustees, board of directors, unit holders or shareholders, as applicable, (ii) has resulted or will result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other Significant Agreement, Permitted Encumbrance or instrument to which it is a party or by which any Obligor is bound, (iii) will result in the creation of, any Encumbrance, or any rights of others (other than as contemplated by the Documents) upon any property of any Obligor pursuant to any agreement, indenture or other instrument to which such Obligor is a party, or by which such Obligor or its respective property may be bound or affected, or (iv) requires any approval, consent, authorizations, declarations, registrations, filings, notices and other actions whatsoever required in connection with the execution and delivery by it of each Document to which it is a party and the consummation of the transactions contemplated in the Documents except such as has already been obtained or filed;
- (g) no Default or Event of Default has occurred and is continuing;
- (h) the most recent financial statements of the Borrower and to the best of its knowledge the operating statements of the Secured Property delivered to the Lender are accurate and complete in all material respects and fairly presents the Obligors' financial condition, as at the dates specified therein, all in accordance with generally accepted accounting principles consistently applied;
- (i) the ownership structure set out in Schedule "C" hereto is accurate as of the date hereof;
- (j) since the date of the Borrower's most recent annual financial statements provided to the Lender, there has been no Material Adverse Change;

- (k) except as disclosed in the environmental audits or other written materials delivered to the Lender, to the best of its knowledge:
  - (i) there are no existing, pending or threatened:
    - (A) claims, complaints, notices or requests of which it is aware (after due inquiry) with respect to any alleged violation of or alleged liability under any Environmental Laws relating to any Secured Property; or
    - (B) governmental or court orders, including, without limitation, stop, clean up or preventive orders, directions or action request notices of which it is aware relating to environmental matters requiring any works, repairs, remediation, clean up, construction or capital expenditures with respect to any Secured Property which would be reasonably likely to constitute a Material Adverse Change;
  - (ii) the Secured Property and the use and operation thereof is in compliance in all material respects with all Environmental Law and laws relating to occupational health and safety;
  - (iii) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any Secured Property; and
  - (iv) no condition (including the existence, storage or release of any Hazardous Substances) exists at, on or under any Secured Property which, with the passage of time, the giving of notice, the making of any determination, or any combination of the foregoing, has given rise to or could reasonably be expected to give rise to material liability under any Environmental Law;
- (l) the Borrower has or will have good and marketable title to the Secured Property, free and clear of all Encumbrances except for Permitted Encumbrances, and no Person has any agreement, option or right to acquire the Borrower's interest in the Secured Property;
- (m) each of the Obligors is solvent, able to pay its debts as they mature, has sufficient capital to carry on its business and has assets the fair market value of which exceeds its liabilities, and it will not be rendered insolvent, undercapitalized or unable to pay debts generally as they become due by the execution or performance of this Agreement or any other Document to which it is a party;
- (n) to the best of its knowledge all information provided or to be provided to the Lender in connection with the Facilities is true and correct in all material respects and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it;
- (o) to the best of its knowledge the Secured Property and the operation and use thereof are in compliance, in all material respects, with all Applicable Laws;
- (p) there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, after due inquiry, threatened against or affecting any Obligor or, to the knowledge of the Borrower, the Secured Property or any of their undertakings and assets, at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau,

agency or instrumentality having jurisdiction in respect of which a determination adverse to any Obligor or the Secured Property would be reasonably likely to affect materially and adversely the Security, the operations of businesses carried on at the Secured Property or the ability of any Obligor to perform any of its Obligations under this Agreement, the Security or any Significant Agreements and to the best of its knowledge no Obligor is in default with respect to any law, regulation, order, writ, judgment, injunction or award of any competent government, commission, board, agency, court, arbitrator or instrumentality which is reasonably likely to have such an effect and no Obligor has received a notice of expropriation relating to the Secured Property;

- (q) the Borrower has paid all Taxes when the same were due and payable imposed upon it or any of the assets of the Borrower and the Borrower has filed or caused to be filed all federal, provincial and local tax returns which to its or their knowledge are required to be filed and have paid or caused to be paid all Taxes, as shown on such returns, or any assessment received by them plus all interest and penalties to the extent that such Taxes or assessments have become due, except such as may be diligently contested in good faith and by appropriate proceedings or as to which a bona fide dispute may exist and for which adequate reserves are being maintained, so long as the Security is not impaired or an event or circumstance occurs that results or could result in a Material Adverse Change;
- (r) to the best of its knowledge, and except as disclosed to the Lender, no Obligor is in violation of, or in default under, any agreement, mortgage, franchise, license, judgment, decree, order, statute, rule or regulation which is material to its or their interests in the Secured Property which violation or default would result in a Material Adverse Change nor will execution, delivery and performance of this Agreement, the Documents to which they are a party or any of the agreements provided for or contemplated hereby result in any such violation;
- (s) to the best of its knowledge true copies of each of the Significant Agreements have been delivered to the Lender or the Lender's counsel;
- (t) to the best of its knowledge the Significant Agreements, Material Licenses and Permitted Encumbrances constitute the only agreements which are material to the ownership or operation of the Secured Property, other than leases in the ordinary course of business;
- (u) no Obligor has received notice of any proposed rezoning of all or any part of the Secured Property that is reasonably likely to have a Material Adverse Change on the Secured Property;
- (v) there are no outstanding judgments, writs of execution, seizures, injunctions or directives against any Obligor nor, to the best of its knowledge, any work orders or directives or notices of deficiency capable of resulting in work orders or directives with respect to the Secured Property that have a Material Adverse Change or that are reasonably likely to have a Material Adverse Change on the ability of such Obligor to perform its Obligations under this Agreement or any Security;
- (w) no Obligor has received actual notice of any claims for construction liens or legal hypothecs with respect to work or services performed or materials supplied in connection with any Secured Property;

- (x) to the best of its knowledge, all buildings and improvements comprising part of the Secured Property are in good physical condition having regard to their use and age, and there are no material defects or extraordinary repairs required in connection therewith except as disclosed in writing to, and approved by, the Lender;
- (y) to the best of its knowledge, the real property reports, if any, delivered to the Lender accurately reflect the state of the Secured Property;
- (z) to the best of its knowledge, the location of any buildings on any Secured Property are within the boundary lines of such Secured Property (other than encroachments that if required to be corrected would not result in a Material Adverse Change or with respect to which there is an encroachment agreement) and are in material compliance with all applicable setback requirements;
- (aa) to the best of its knowledge, the only property interests necessary for the operation of each Secured Property in the manner in which it is intended to be operated are the property interests comprising such Secured Property and all easements, licenses, servitude and other agreements necessary for the operation and maintenance of each Secured Property in the manner in which it is currently being operated have been obtained and, to the best of its knowledge, are in good standing;
- (bb) the insurance policies required pursuant to Schedule "B" are in place and maintained in respect of each Secured Property; and
- (cc) as of the date hereof, Colliers Macaulay Nicolls Inc. provides property management services in respect of the Secured Property pursuant to the Property Management Agreement.

## **8.2 Nature of Representations and Warranties**

The representations and warranties set out in this Section 8 shall survive the execution and delivery of this Agreement and the Security and the making of each Advance and will be deemed to be repeated by the Borrower as of each Advance date, except to the extent that on or prior to such date (a) the Borrower has advised the Lender in writing of a variation in any such representation or warranty, and (b) the Lender has approved such variation, acting reasonably.

If at any time before the final Advance of funds the Lender determines that there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by the Borrower concerning the Secured Property or any party's financial condition and responsibility, then the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder or decline to Advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be forthwith due and payable.

## **Section 9 SECURITY**

### **9.1 Security Required**

The Borrower shall execute and deliver, or cause the execution and delivery of, to the Lender the following (in each case in a form satisfactory to the Lender and its solicitors):

- (a) a first mortgage charge in the amount of \$161,300,000.00 over all land and buildings of the Secured Property;
- (b) a first mortgage of lease charge in the amount of \$161,300,000.00 with respect to the leasehold interest pursuant to the April 4, 1984 head lease;
- (c) a beneficial owners agreement including a charge of the beneficial interest from the Beneficial Owner of the Secured Property;
- (d) a first priority assignment of rents and leases with respect to the Secured Property;
- (e) a first priority assignment of rents and leases with respect to the leasehold interest pursuant to the April 4, 1984 head lease;
- (f) a guarantee of the Guarantor whereby it guarantees all interest accruing to the Lender under the Facilities;
- (g) a property specific first general security agreement over all chattels and equipment of the Borrower located at the Secured Property;
- (h) a first assignment of all Significant Agreements and Material Licenses, together with consents and acknowledgements as required;
- (i) an assignment and postponement of claim from the limited partners and/or the shareholders and beneficial owners of the Borrower;
- (j) an environmental indemnity from the Obligors in favour of the Lender;
- (k) an indemnity for misrepresentation and fraud from the Obligors in favour of the Lender;
- (l) a completion guarantee from the Obligors in favour of the Lender;
- (m) title insurance in favour of the Lender from an insurer satisfactory to the Lender in a form reasonably satisfactory to the Lender;
- (n) a letter from the Guarantor's solicitors addressed to the Lender confirming that none of the limited partners of the Guarantor or any of its Subsidiaries owns or controls directly or indirectly 25% or more of the Guarantor or the Borrower as of the date of the initial Advance;
- (o) an opinion letter from an Alberta solicitor acting for the Borrower stating that all Security and this Agreement has been duly authorized, executed and delivered by the Borrower, and where applicable, the Guarantor; and
- (p) a law firm shall be appointed by the Lender and used to draft the security documentation and any other documents related to this transaction and to disburse advances, and all investigations and registrations shall be to the satisfaction of our solicitor prior to any advance. All legal costs of our solicitors related to this transaction shall be payable by the Borrower and may be deducted from the Loan proceeds and shall be paid by the Borrower directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

The Lender will require that the Borrower use a firm of solicitors for independent legal advice such firm to be completely separate from that chosen by the Lender.

All security shall be on the Lender's standard form subject to such reasonable changes requested by the Borrower and agreed to by the Lender hereunder, acting reasonably;

## 9.2 Registration

The Lender may, at the expense of the Borrower, register or cause to be registered, filed or recorded the Security or site-specific financing statements or notices in respect thereof in all offices where such registration, filing or recording is, in the opinion of the Lender or its counsel, necessary or of advantage to the creation, perfection or preservation of the security interests, mortgages, charges, hypothecs and assignments arising pursuant thereto. The Lender may, at the Borrower's expense, renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The Borrower acknowledges that the forms of Security have been prepared based on the laws in effect at the date of execution thereof and that such laws may change, and that the laws of other jurisdictions may require the execution and delivery of different forms of security instruments in order to grant to the Lender the rights intended to be granted by the Security. The Borrower shall or shall cause each other Obligor to, on reasonable request from the Lender from time to time, execute and deliver to the Lender such additional security instruments and related documents and amend or supplement the Security theretofore provided to the Lender to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise.

## Section 10 DEFAULT

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

- (a) a default by any Obligor in the observance or performance of any of the terms or conditions of the Security or this Agreement for which they are responsible that has not been remedied within 30 days of receipt of written notice of default from the Lender with respect to any non-financial default (or, if the default cannot reasonably be remedied in 30 days, that the Obligor has not commenced remedying within such 30-day period and diligently continued to remedy such non-financial default) and within 5 business days written notice of any financial default;
- (b) either Obligor becoming insolvent or the filing or presenting of a petition in bankruptcy against either obligor;
- (c) the appointment, either privately or by a court, of a receiver or receiver-manager of either Obligor or any of its assets;
- (d) either Obligor making a proposal under the *Bankruptcy and Insolvency Act*, or any successor legislation, or seeking relief under the *Companies' Creditors Arrangement Act*, or other debtor relief legislation;
- (e) any execution, sequestration or other process of any court becoming enforceable against any Obligor, a distress or analogous process being levied upon the property of any Obligor or any part thereof, including but not limited to a builder's lien registered against the title to the Secured Property, which is not satisfied or discharged, or if any Obligor has not taken steps to remedy same, or is not continuing diligently toward such remedy, as the case may be, within 30 days from the date upon which any Obligor receives written notice of the same from the Lender;

- (f) a non-arm's length lease granted by the Borrower without the prior written approval of the Lender which approval will not be unreasonably withheld;
- (g) the Secured Property is charged or encumbered with any financial obligation other than the Security without the prior written approval of the Lender, which approval may be withheld in the Lender's sole discretion;
- (h) any other event which, pursuant to the terms of Security constitutes, or is deemed to constitute, an Event of Default;
- (i) there is a Material Adverse Change;
- (j) there is a Change of Control or the Lender consents to a Change of Control but the transferee or purchaser does not execute an assumption agreement in favour of the Lender satisfactory to the Lender acting reasonably; and
- (k) in the event of abandonment of the Secured Property for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrower ten (10) days written notice of any abandonment and provided the Borrower fails to rectify same within the time allotted or within thirty (30) days after such notice has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to Advance further funds as the case may be and in addition to declare any funds Advanced to forthwith become due and payable, plus interest, all at the Lender's option.

## **10.2 Acceleration**

If any Event of Default shall occur and be continuing beyond any applicable cure period, all of the Obligations shall, upon notice in writing from the Lender to the Borrower, become immediately due and payable with interest thereon, at the Interest Rate, to the date of actual payment thereof, all without notice (other than the notice just referred to), presentment, protest, demand, notice of dishonor or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower. In such event the Lender may, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of the Obligations and proceed to exercise any and all rights hereunder and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

## **10.3 Remedies Cumulative and Waivers**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender hereunder or under the Security are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender in accordance with the provisions hereof of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the



purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or the Security as a result of a Default.

#### **10.4 Termination of Lender's Obligations**

The occurrence and continuance of a Default or an Event of Default beyond any applicable cure period shall immediately relieve the Lender of all obligations to provide any further Advances hereunder.

#### **10.5 Lender May Perform**

If any Obligor fails to perform any covenants on its part contained in this Agreement or any other Document, the Lender may, in its discretion but need not, perform any such covenant capable of being performed by the Lender and if the covenant requires the payment or expenditure of money, the Lender may make such payment or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Lender and shall bear interest at the Interest Rate.

#### **10.6 Set-Off or Compensation**

In addition to, and not in limitation of any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 10.2, the Lender may at any time and from time to time without notice to the Borrower or any other person, any notice being expressly waived by the Borrower, set-off and, compensate, combine and apply any and all deposits, and any other indebtedness at any time owing by the Lender, to or for the credit of or the account of the Borrower against and on account of the Obligations owing under this Agreement notwithstanding that any of them are contingent or unmatured.

#### **10.7 Other**

In the event of any Default, the Lender shall be entitled to a fee for each and every incident of Default on account of administration and costs incurred. Such fee will be: (a) \$250, in the event of late payment; (b) \$500, in the event of dishonored cheque or other payment; and (c) \$1,000 plus all legal fees disbursements and any other costs incurred in the event of any legal proceeding being instituted.

#### **10.8 Custodian**

This Loan Agreement will be assigned by the Lender to the Custodian and all Security will be drafted in favor of the Custodian, as agent, nominee and bare trustee for and on behalf of the Lender.

### **Section 11 NOTICES**

#### **11.1 Notices**

Any notice, demand or request to any party shall be in writing and shall be deemed to have been validly given only when it has been received at the address of such party shown in this Agreement or to such other address as such party shall have given written notice. The current addresses of the parties are:

the Lender:

Computershare Trust Company of Canada  
c/o Timbercreek Mortgage Servicing Inc.  
1000 Yonge Street, Suite 500  
Toronto, Ontario M4W 2K2

Attention: Mortgage Administration

Fax: (416) 848-9494  
email: [pjones@timbercreekfunds.com](mailto:pjones@timbercreekfunds.com)

the Borrower:

121 King Street West, Suite 200  
Toronto, Ontario M5H 3T9

Attention: Ramsey Ali

Fax: 416-947-9366  
email: [ramsey@slateam.com](mailto:ramsey@slateam.com)

## **Section 12 COSTS AND EXPENSES**

### **12.1 Costs and Expenses**

The Borrower shall promptly pay upon notice from the Lender all reasonable costs and expenses incurred by the Lender in connection with:

- (a) the preparation, execution and delivery of this Agreement, the Security and the other documents to be delivered hereunder including waivers, consents and amendments requested by the Borrower;
- (b) the conduct of due diligence by the Lender in relation hereto, whether or not any Advance has been made hereunder; and
- (c) the reasonable fees and out-of-pocket expenses of Lender's legal counsel on a full indemnity basis with respect to the enforcement of this Agreement and the Security and with respect to:
  - (i) advising the Lender as to its rights and responsibilities under this Agreement and the Security;
  - (ii) in connection with the preparation or review of waivers, consents and amendments requested by the Borrower; and
  - (iii) questions of interpretation of this Agreement and the Security in connection with the establishment of the validity and enforceability of this Agreement and the Security.

### **12.2 Further Costs and Expenses**

The Borrower shall promptly pay upon notice from the Lender all reasonable costs and expenses incurred by the Lender in connection with the preservation or enforcement of the

rights of the Lender under this Agreement, the Security and the other Documents to be delivered hereunder, including without limitation, all costs and expenses sustained by the Lender as a result of any failure by any Obligor to perform or observe any of their Obligations under the Security.

### **12.3 Interest on Costs and Expenses**

The costs and expenses to be paid by the Lender pursuant to Sections 12.1 and 12.2 shall bear interest at the Interest Rate applicable to the Facilities following Lender's request for same if such payment is not made within 15 Business Days. Such costs, expenses and interest shall be payable whether or not the Closing Date occurs or an Advance is made under this Agreement.

### **12.4 Receipt of Good Faith Deposit**

The Lender acknowledges receipt of the Good Faith Deposit which is to be applied to the Loan Fee, net of expenses, in the event the Lender executes this Loan Agreement.

The Good Faith Deposit will be forfeited to the Lender as liquidated damages and not as penalty in each of the following circumstances:

- (i) if, because of the Borrower's failure or inability for any reason whatsoever to comply with any terms or conditions relating to initial Advance in this Agreement by the 30<sup>th</sup> day of November, 2018.
- or
- (ii) if, for any reason, the Borrower does not accept all or a portion of the proceeds of the Equity Take Out Facility when the Lender makes it available;
- or
- (iii) if the Borrower enters into a loan commitment with another Lender respecting the Secured Property prior to the initial Advance of the Equity Take Out Facility;
- or
- (iv) if the Borrower fails, refuses or is unable to comply with any of the terms and conditions as set forth in the Agreement, and/or in the Security.

For greater clarity, if none of the foregoing occur, the Good Faith Deposit will be returned to the Borrower in full, without deduction or set off, if the Lender does not advance the Equity Take Out Facility.

Notwithstanding the forfeiture of the Good Faith Deposit, the Obligors shall remain liable to reimburse the Lender for any reasonable due diligence costs and legal expenses, whether or not the Lender makes an advance of the Loan. The Lender's Agreement with respect to the Good Faith Deposit is enforceable by the Lender, independent of the existence of this Agreement.

## **Section 13 - GENERAL**

### **13.1 Further Assurances**

Each Obligor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such other acts, agreements, instruments and assurances as the Lender or its counsel shall reasonably require for the better accomplishing and effectuating the provisions of this Agreement.

### **13.2 Time is of the Essence**

Time shall be of the essence of this Agreement and of each of the provisions hereof.

### **13.3 Amendments**

Neither this Agreement, nor any Document may not be amended or altered except by instrument in writing signed by the Lender and the Borrower.

### **13.4 Severability**

If any covenant, obligation, term or condition of this Agreement or any of the Documents or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or such Document or the application of such covenant, obligation, agreement, term or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation, agreement, term and condition of this Agreement or such Document shall be separately valid and enforceable to the fullest extent permitted by law.

### **13.5 Changes Required by Context**

This Agreement and each Document shall be read with all changes of gender and number required by the context. Any reference to the successors and assigns of a corporate entity includes the heirs, executors, administrators and assigns of a natural person.

### **13.6 Legislation**

Reference to any legislation means such legislation as amended and in effect at the relevant time.

### **13.7 Headings**

The article headings and section headings of this Agreement and in each Document have been inserted for convenience of reference only and do not form part of this Agreement or such Document. They shall not be referred to in the interpretation of this Agreement or such Document.

### **13.8 Whole Agreement**

This Agreement and the Documents contain the whole agreement between the parties with respect to the subject matter of this Agreement and the Documents. There is no promise, inducement, representation, warranty, collateral agreement or condition affecting this Agreement and the Documents other than as expressed in this Agreement and the Documents. The schedules and appendices to this Agreement form part of this Agreement.

### **13.9 Counterparts**

This Agreement has been executed in a number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

### **13.10 Meanings of Certain Terms**

Unless otherwise defined herein, each word and phrase with initial capitals used in this document shall have the meaning assigned to it in the *Personal Property Security Act*, (Alberta) if defined therein.

### **13.11 Applicable Law**

This Agreement shall be construed in accordance with the laws of the Province of Alberta and of Canada applicable therein, without regard to principles of conflict of laws. The Obligors attorn to the non-exclusive jurisdiction of the Province of Alberta.

### **13.12 Assigns**

The Lender shall at any time, with reasonable prior notice to the Borrower be entitled to assign all or part of its right, title and interest in this Agreement or either of the Facilities, including by way of participation, syndication or securitization and may disclose information regarding the Secured Property, the Facilities, or the Obligors to the extent and in the manner that the Lender may deem appropriate in order to complete any such transaction. The Lender shall be responsible for any additional costs or expenses incurred by the Obligors that arise as a direct result of such assignment by the Lender. Notwithstanding the foregoing, the Lender shall not be entitled to assign all or part of its right, title and interest in this Agreement or either of the Facilities to a direct competitor of the Borrower or the Guarantor or to a private equity firm.

### **13.13 No Assignment by Borrower**

The Borrower shall not assign, pledge, encumber or mortgage its rights hereunder.

### **13.14 Enurement**

This document and all its provisions shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrower and its successors and assigns.

### **13.15 Confidentiality**

The Borrower acknowledges and agrees that the terms and conditions recited herein are confidential between the Borrower and the Lender and its advisors and investors. The Borrower agrees not to disclose the information contained herein to a third party without the express written consent of the Lender. After the completion of the advance of the Loan, if a Loan is granted, the Borrower agrees that the Lender may publish details of this transaction, including in any press release, the Lender's marketing materials and in any online forum, without requiring any further consent from the Borrower. Notwithstanding the foregoing, press releases will be subject to Lender and Borrower mutually agreeing on timing and content, acting reasonably.

**13.16 Non-Merger**

The Borrower's Obligations as contained in this Loan Agreement (and to the extent that those Obligations are not repeated in the Security) shall survive the execution and registration of the Security and all Advances of funds, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the Security. In the event of an express conflict between this Agreement and the Security, then this Agreement shall prevail. There is no conflict if the terms of the Security expand or clarify the terms of this Agreement.

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**SCREO I 700 2ND INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ramsey Ali**

**Authorized Signing Officer**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**58508 ALBERTA LTD.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ramsey Ali**

**Authorized Signing Officer**

**SLATE CANADIAN REAL ESTATE  
OPPORTUNITY I FUND L.P. by its general  
partner SLATE CANADIAN REAL ESTATE  
OPPORTUNITY FUND I GP L.P. by its general  
partner SLATE CANADIAN REAL ESTATE  
OPPORTUNITY FUND I GP INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ramsey Ali**


**Authorized Signing Officer**


By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TIMBERCREEK MORTGAGE SERVICING INC.**

By:   
Name: Ugo Bizzoni  
Title: Vice President

By:   
Name: Julie Neault  
Title: Vice President



## Schedule A

### Properties and Permitted Encumbrances

**Stephen Avenue Place – 700 2<sup>nd</sup> Street SW, Calgary, AB**

#### Freehold Lands

1. **PLAN 7410276  
BLOCK 49  
LOT 41  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.458 HECTARES (1.13 ACRES) MORE OR LESS**

**Permitted Encumbrances:**

- 741 059 949 CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 761 129 113 EASEMENT IN FAVOUR OF LOTS 32, 33 & 34 BLOCK 49 PLAN A.
- 771 033 032 EASEMENT
- 781 210 515 EASEMENT AS TO PORTION OR PLAN:7810132 IN FAVOUR OF LOTS 31 BLOCK 49 PLAN A.
- 841 044 941 EASEMENT AS TO PORTION OR PLAN:7810132 SUBJECT TO AN EASEMENT IN FAVOUR OF PLAN A BLOCK 49, LOTS 9, 10 & 11, PORTION
- 841 112 907 CAVEAT RE : LEASE IN FAVOUR OF 58508 ALBERTA LTD.
- 841 112 909 CAVEAT RE : LEASE , ETC. IN FAVOUR OF SCREO I 700 2ND INC.
- 851 174 676 CAVEAT RE : SEE CAVEAT IN FAVOUR OF E B J INVESTMENTS LTD.
- 851 174 677 CAVEAT RE : SEE CAVEAT IN FAVOUR OF E B J INVESTMENTS LTD.
- 851 181 463 CAVEAT RE : ASSUMPTION AGREEMENT IN FAVOUR OF 1260642 ALBERTA LTD.
- 851 187 705 CAVEAT RE : ASSUMPTION AGREEMENT IN FAVOUR OF AIMCO RE GP CORP.
- 861 192 611 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 871 139 021 CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO PLANNING ACT IN FAVOUR OF THE CITY OF CALGARY.
- 921 141 853 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 931 050 751 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 931 050 752 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 951 100 950 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 011 052 865 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF GROSVENOR CANADA LIMITED.
- 011 116 581 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 116 582 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 379 218 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 021 027 766 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 021 027 767 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 021 299 579 CAVEAT RE : LEASE IN FAVOUR OF TAQA NORTH LTD.
- 061 144 317 CAVEAT RE : LEASE IN FAVOUR OF HUDSON'S BAY COMPANY.

- 071 213 666 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE TDL GROUP CORP./GROUPE TDL
- 081 385 373 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 081 414 482 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 091 056 273 CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT , ETC. IN FAVOUR OF THE CITY OF CALGARY.
- 091 233 621 CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT IN FAVOUR OF THE CITY OF CALGARY.
- 091 298 964 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 091 361 048 CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT IN FAVOUR OF THE CITY OF CALGARY.
- 111 096 814 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 111 274 556 CAVEAT RE : LEASE INTEREST IN FAVOUR OF 1364316 ALBERTA INC.
- 121 025 386 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 387 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 388 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 389 CAVEAT RE : PURCHASERS INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 074 040 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA
- 121 100 387 CAVEAT RE : LEASE INTEREST , ETC. IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA

**2. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT THIRTY (30)  
EXCEPTING THE EASTERLY EIGHT AND ONE HALF (8 1/2) INCHES  
THROUGHOUT OF SAID LOT**

**Permitted Encumbrances:**

- 2467P. PARTY WALL AGREEMENT
- 3480FB. CAVEAT IN FAVOUR OF HUDSON'S BAY COMPANY.
- 841 112 907 CAVEAT RE : LEASE IN FAVOUR OF 58508 ALBERTA LTD.
- 841 112 909 CAVEAT RE : LEASE , ETC. IN FAVOUR OF SCREO I 700 2ND INC.
- 011 116 581 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 116 582 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 021 027 766 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY
- 021 027 767 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY
- 021 299 579 CAVEAT RE : LEASE IN FAVOUR OF TAQA NORTH LTD.

- 031 003 599 CAVEAT RE : LEASE IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA
- 111 096 814 CAVEAT RE: LEASE INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 386 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 387 CAVEAT RE: RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 388 CAVEAT RE: RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 389 CAVEAT RE: PURCHASERS INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**

**3. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT TWENTY NINE (29) AND THE MOST EASTERLY EIGHT AND ONE  
HALF (8 1/2) INCHES OF LOT THIRTY (30)**

**Permitted Encumbrances:**

- 5048FO. CAVEAT IN FAVOUR OF FRANK GERSTEIN
- 841 112 907 CAVEAT RE : LEASE IN FAVOUR OF 58508 ALBERTA LTD.
- 841 112 909 CAVEAT RE : LEASE , ETC. IN FAVOUR OF SCREO I 700 2ND INC.
- 011 116 581 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 116 582 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 021 027 766 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 021 027 767 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 021 299 579 CAVEAT RE : LEASE IN FAVOUR OF TAQA NORTH LTD.
- 031 003 599 CAVEAT RE : LEASE IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA
- 111 096 814 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 386 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 387 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 388 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 389 CAVEAT RE : PURCHASERS INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**

**Leasehold Lands**

**4. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
THOSE PORTIONS OF LOTS NINE (9), TEN (10) AND ELEVEN (11)  
WHICH LIE ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION  
OF THREE THOUSAND FOUR HUNDRED AND FORTY ONE AND FIVE  
TENTHS (3441.5) FEET ABOVE MEAN SEA LEVEL AND DETERMINED**

BY REFERENCE TO ALBERTA SURVEY CONTROL MONUMENT NO. 655-4.181 HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED AND THIRTY SEVEN AND FIFTY SEVEN HUNDREDTHS (3437.57) FEET CONFIRMED ON THE 15 DAY OF OCTOBER 1970 BY THE DIRECTOR OF SURVEYS OF THE PROVINCE OF ALBERTA BOUNDED AS FOLLOWS: COMMENCING AT A POINT IN THE NORTH BOUNDARY OF LOT NINE (9) DISTANT FIFTEEN (15) FEET EASTERLY FROM THE NORTH WEST CORNER OF THE SAID LOT NINE (9) THENCE SOUTHERLY PARALLEL WITH THE WEST BOUNDARY OF THE SAID LOT NINE (9) ON AN ASSUMED BEARING OF SOUTH TWO (2) DEGREES THIRTY SEVEN (37) MINUTES THIRTY (30) SECONDS WEST A DISTANCE OF ONE HUNDRED THIRTY AND SIX HUNDREDTHS (130.06) FEET MORE OR LESS TO THE SOUTH BOUNDARY OF SAID LOT NINE (9) THENCE EASTERLY ALONG THE SOUTH BOUNDARY OF LOTS NINE (9) TEN (10) AND ELEVEN (11) ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES FIVE (5) SECONDS EAST A DISTANCE OF FORTY AND FOURTEEN HUNDREDTHS (40.14) FEET THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY SEVEN AND FIFTY THREE HUNDREDTHS (37.53) FEET THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST, A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF EIGHTEEN AND TWENTY SEVEN HUNDREDTHS (18.27) FEET THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE SECONDS EAST A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY FIVE AND FORTY TWO HUNDREDTHS (35.42) FEET, THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SIXTY SEVEN HUNDREDTHS (19.67) FEET, THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS EAST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SEVENTEEN HUNDREDTHS (19.17) FEET MORE OR LESS TO THE NORTH BOUNDARY OF LOT ELEVEN (11) THENCE WESTERLY ALONG THE NORTH BOUNDARY OF LOTS NINE (9), TEN (10) AND ELEVEN (11) ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES TWENTY (20) SECONDS WEST A DISTANCE OF FORTY AND TWENTY TWO HUNDREDTHS (40.22) FEET MORE OR LESS TO THE POINT OF COMMENCEMENT CONTAINING FOUR

**THOUSAND SEVEN HUNDRED AND SIXTY SEVEN AND TWO ONE  
HUNDREDTHS (4767.2) SQUARE FEET MORE OR LESS  
EXCEPTING THEREOUT ALL MINES AND MINERALS**

**ESTATE: LEASEHOLD  
COMMENCING ON THE 14 DAY OF JANUARY, 1975  
TERMINATING ON THE 30 DAY OF APRIL, 2042  
771087159**

**Permitted Encumbrances:**

- 841 112 907 CAVEAT RE : LEASE IN FAVOUR OF 58508 ALBERTA LTD.
- 841 112 909 CAVEAT RE : LEASE , ETC. IN FAVOUR OF SCREO I 700 2ND INC.
- 841 136 707 CAVEAT RE : EASEMENT IN FAVOUR OF 58508 ALBERTA LTD.
- 921 141 853 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 931 050 751 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 931 050 752 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 951 100 950 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 011 116 581 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 116 582 CAVEAT RE : LEASE IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 011 379 218 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE CITY OF CALGARY.
- 021 027 766 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 021 027 767 CAVEAT RE : SEE CAVEAT IN FAVOUR OF THE CITY OF CALGARY.
- 071 213 666 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE TDL GROUP CORP./GROUPE TDL
- 111 096 814 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 111 274 556 CAVEAT RE : LEASE INTEREST IN FAVOUR OF 1364316 ALBERTA INC.
- 121 025 386 CAVEAT RE : AMENDING AGREEMENT IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 387 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 388 CAVEAT RE : RIGHT OF FIRST REFUSAL IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 025 389 CAVEAT RE : PURCHASERS INTEREST IN FAVOUR OF THE BANK OF NOVA SCOTIA. **(to be discharged)**
- 121 074 040 CAVEAT RE : LEASE INTEREST IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA
- 121 100 387 CAVEAT RE : LEASE INTEREST , ETC. IN FAVOUR OF THE ASSOCIATION OF PROFESSIONAL ENGINEERS, GEOLOGISTS and GEOPHYSICISTS OF ALBERTA

**SCHEDULE "B"**

All insurance policies must be forwarded to our insurance consultants, Proincon, 300-570 Portage Avenue, Winnipeg, MB R3C 0G4 Attn: Wayne Fast Phone (204) 953-6222 Fax (204) 953-6220 wfast@proincon.ca for their review and comments upon the acceptance of this commitment. The Lender's insurance consultants will review the insurance policies; the cost of which shall be for the account of the Borrower and will, therefore, be deducted from the initial advance of the funds under this loan.

The Borrower shall place and keep in force throughout the Term of the Loan the following insurance coverage, in respect of the Property and all such insurance coverage shall be placed and kept in force with a company or companies reasonably satisfactory to the Lender and the Lender shall receive certificates of insurance policies of insurance signed by the insurer or insurers which policies are to be in form and content reasonably satisfactory to the Lender. Where, under the insurance policies described below, loss is payable to the Lender, such insurance policies shall show the loss payable to the Lender as first mortgagee.

Evidence of insurance satisfactory to the Lender and/or its insurance consultant shall be provided prior to the advance of the loan.

**Permanent Coverage**

- i) Property insurance in an amount not less than one hundred per cent (100%) of the replacement cost and providing coverage by way of an "all risks" policy of insurance including earthquake and flood, together with a replacement cost endorsement with the "same site" provisions removed.
- ii) Fire and extended coverage and malicious damage, including leakage from fire protection equipment on a stated amount replacement cost basis with the "same site" provisions removed with first loss payable to the Lender by way of an approved mortgage clause. The policy must include a stated amount coinsurance clause. Permission should be granted for the Improvements to be completed and to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy.
- iii) Comprehensive broad form boiler insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and replacement and including Use and Occupancy coverage, for an amount satisfactory to the Lender with first loss payable to the Lender by way of a boiler and machinery insurance association mortgage clause.
- iv) Comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5,000,000 per occurrence, written on an inclusive basis with the Mortgagee shown as an additional insured.
- v) Rental insurance coverage sufficient to cover 100% of the gross annual rentals from the Property for a period of twelve (12) months, based on the greater of actual or projected rentals.

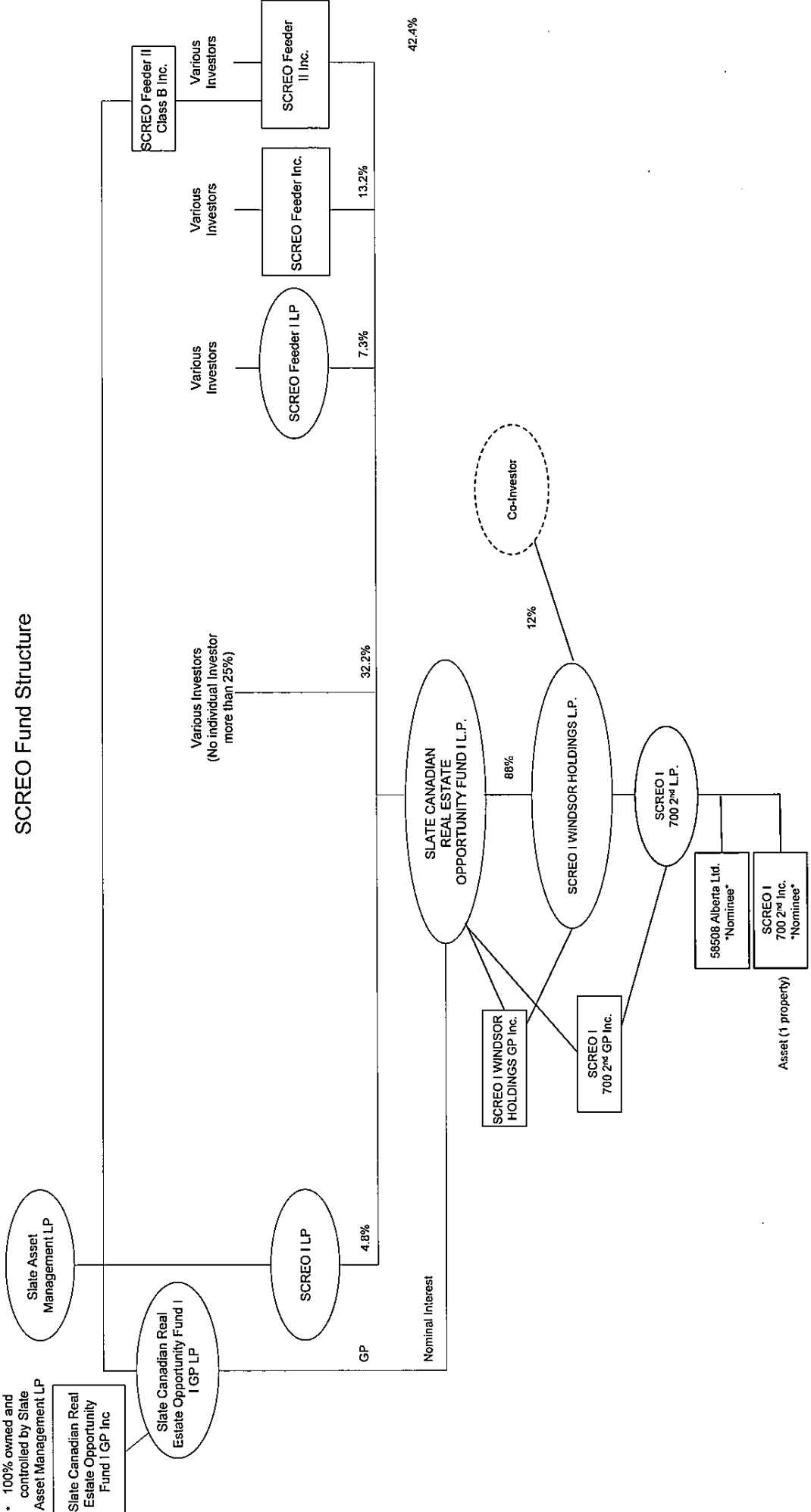
All cancellation and alteration clauses in the above-referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide that the insurer will endeavor to provide at least thirty (30) days prior notice to the Lender of such cancellation or of any material alteration. The Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time reasonably consider advisable or desirable and in respect of which insurance coverage may be available and which is obtained by reasonably prudent owners of properties that are similar to the Property in the City of Calgary.

**SCHEDULE "C"**  
**ORGANIZATIONAL CHART**



General Partner  
• 100% owned and controlled by Slate Asset Management LP

# SCREO Fund Structure



## Schedule "D"

## ESTOPPEL CERTIFICATE

TO: COMPUTERSHARE TRUST COMPANY OF CANADA as agent, nominee and bare trustee for and on behalf of TIMBERCREEK MORTGAGE SERVICING INC. (THE "MORTGAGEE")

THE UNDERSIGNED, being a tenant (the "Tenant") pertaining to a Lease of a portion of the Leased Premises located at \_\_\_\_\_ hereby certifies that:

1. The lease to the Tenant dated \_\_\_\_\_, as amended by \_\_\_\_\_ (collectively the "Lease") has been validly executed and delivered by the Tenant as tenant.
2. The Lease constitutes the entire agreement between the Tenant and \_\_\_\_\_ (the "Landlord") and has not been modified, supplemented or amended and is in good standing and in full force and effect in accordance with its original terms.
3. The Tenant has not assigned the Lease or any part thereof nor has any part of the Leased Premises been sublet, except as follows:
4. The term of the Lease began on \_\_\_\_\_ and will end on \_\_\_\_\_, subject to any option to renew disclosed in paragraph 8 hereof.
5. The area being occupied by the Tenant under the Lease is \_\_\_\_\_ square feet and is designated as Unit / Suite No. \_\_\_\_\_.
6. The minimum rent payable under the Lease as of the date of this Certification is \$\_\_\_\_\_ per annum, \$\_\_\_\_\_ per sq.ft. and is payable in accordance with the terms of the Lease. The minimum rent payable under the Lease is absolutely net and carefree to the Landlord except for the Landlord's obligations with respect to structural repairs as set out in the Lease (if any).
7. The amount of prepaid rent or security deposit held by the Landlord under the Lease is \$\_\_\_\_\_ to be applied to \_\_\_\_\_ and there are no other prepayments of rent by the Tenant pursuant to the terms of the lease.
8. The Lease does not contain an option to renew; or the Lease contains an option to renew. Number of options: \_\_\_\_\_ for a period for \_\_\_\_\_ each at a rental rate of \$\_\_\_\_\_ per sq. ft. and/or an amount to be determined in accordance with the provisions of the Lease.
9. The Tenant occupies \_\_\_\_\_ parking stalls and pays \$\_\_\_\_\_ (plus applicable GST) per stall, per month.
10. The Tenant is not claiming any deductions, abatement or set-off of any rent due and payable under the Lease nor any counterclaim or defense against the enforcement of its obligations to be performed by it under the Lease.
11. There is no existing default under the Lease on the part of either the Landlord or the Tenant and the Lease is presently in good standing.
12. The Tenant has not received any previous notice that the Landlord has assigned the Lease or the rent payable thereunder.
13. There is no agreement between the Tenant and the Landlord other than that contained in the Lease pertaining to the obligations of the Landlord and the rights of the Tenant relating to the use and occupation by the Tenant of the demised premises set out in the Lease.

14. The Tenant is not entitled to any concession, rebate, allowance or rent free period from the date hereof, except as follows:
15. All improvements have been performed by the Landlord under the Lease (or under any antecedent agreement relating thereto) have been completed to the satisfaction of the Tenant and all allowances on account of such Tenant's improvements have been paid by the Landlord. The Leased Premises are entirely satisfactory and suitable for the use thereof as contemplated by the Tenant, except as follows:
16. This Certificate shall enure to the benefit of the Lender and be binding upon the heirs, executors, administrators, successors and assigns of the Tenant.

The Tenant confirms that based upon the information which it has, it has no reason to believe that the above information is not true and correct. The Tenant acknowledges that the Mortgagee will be relying upon this information with reference to a mortgage to be placed upon title to the lands therein described in favour of the Mortgagee.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
NAME OF TENANT:

OR IF CORP:

■

Per: \_\_\_\_\_  
c/s

## SCHEDULE "E"

## OFFICER'S CERTIFICATE RE: BUILDERS' LIEN ACT

**TO:** Computershare Trust Company of Canada, as agent, nominee and bare trustee for and on behalf of Timbercreek Mortgage Servicing Inc. (the "**Lender**")

**RE:** Loan Agreement dated November \_\_\_\_, 2018, between SCREO I 700 2<sup>nd</sup> Inc. and 58508 Alberta Ltd. (collectively, the "**Borrower**"), as borrower, Slate Canadian Real Estate Opportunity Fund I L.P., as guarantor, and the Lender, as lender, (the "**Loan Agreement**") secured by a first mortgage loan registered against the lands located in the City of Calgary which are legally described in Exhibit 1 attached hereto (collectively, the "**Lands**").

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I, \_\_\_\_\_, of the City of \_\_\_\_\_, in the Province of \_\_\_\_\_, hereby certify in my capacity as an officer of \_\_\_\_\_ and without personal liability that, to the best of my knowledge:

1. as of the date of this certificate, I am an authorized signing authority of the Borrower, the registered owner of the Lands;
2. all accounts for labour, contracts, subcontracts, products, materials services, and construction machinery and equipment have been and will continue to be paid in full as required by the contracts, except for: (i) holdback monies which have been and will continue to be properly retained; (ii) payments deferred by agreement, which the Borrower has disclosed to the Lender; and (iii) amounts withheld by reason of legitimate dispute, which amounts and disputes have been disclosed to the Lender;
3. all holdbacks pursuant to the *Builders' Lien Act* (Alberta) required to be held by the Borrower have been and will continue to be maintained; and
4. this certificate is made for the purposes of inducing the Lender to advance funds to the Borrower pursuant to the terms of the Loan Agreement.

IN WITNESS WHEREOF the undersigned has duly executed this certificate this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

## **Appendix C - Gill Extension**

Made as of the 1<sup>st</sup> day of December, 2022.

BETWEEN:

**SCREO I GILL INC.**  
(the “**Borrower**”)

-and-

**SLATE CANADIAN REAL ESTATE OPPORTUNITY FUND I L.P.** and **SCREO I 700 2ND INC.**  
(collectively the “**Guarantor**” and collectively with the Borrower the “**Indebted Parties**”)

-and-

**TIMBERCREEK MORTGAGE SERVICING INC.**  
(the “**Lender**”)

**LOAN AMENDING AGREEMENT**

- A. **WHEREAS** the Lender has arranged to provide loan facilities to the Borrower (the “**Loan**”) pursuant to a Loan Agreement dated November 9, 2018, as amended by agreement dated March 31, 2022 (collectively the “**Loan Agreement**”);
- B. **AND WHEREAS** as security for the Loan and the Loan Agreement the Borrower granted, or caused to be granted, onto the Lender, amongst other things, the following security (hereinafter collectively referred to with the Loan Agreement as the “**Original Security**”).
- a. A Mortgage from SCREO I Gill Inc. registered at the Land Titles Office for the Alberta Land Registration District on November 22, 2018 as Instrument Number 181 252 369 against the lands legally described as in Schedule A attached hereto (the “**Lands**”), as amended by Mortgage Amending Agreement registered as Instrument 221 166 929;
  - b. A General Assignment of Rents from SCREO I Gill Inc. registered by way of Caveat at the Land Titles Office for the Alberta Land Registration District on November 22, 2018 as Instrument Number 181 252 370 against the Lands;
  - c. A Site Specific Security Agreement registered at the Personal Property Registry Office from the Borrower;
  - d. A Limited Liability Guarantee from Slate Canadian Real Estate Opportunity Fund I L.P.;
  - e. A Limited Liability Guarantee from SCREO I 700 2<sup>nd</sup> Inc.;
  - f. A Mortgage from SCREO I 700 2<sup>nd</sup> Inc. registered at the Land Titles Office for the Alberta Land Registration District on August 11, 2022 as Instrument Number 221 166 914 against the lands legally described as in Schedule B attached hereto (the “**Collateral Lands**”);

- g. A General Assignment of Rents from SCREO I 700 2<sup>nd</sup> Inc. registered by way of Caveat at the Land Titles Office for the Alberta Land Registration District on August 11, 2022 as Instrument Number 221 166 915 against the Lands;

C. **AND WHEREAS** the Loan is scheduled to matured on December 1, 2022 and the Borrower has requested the Lender provide an extension of time to repay the Loan;

D. **AND WHEREAS** the Lender has agreed, subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the provisions, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

#### **ARTICLE 1. INTERPRETATION**

- 1.1 The recitals are incorporated into and form a part hereof.
- 1.2 Except as otherwise defined herein, any capitalized terms shall have the meaning ascribed thereto in the Loan Agreement.

#### **ARTICLE 2. ACKNOWLEDGMENTS**

- 2.1 The Indebted Parties hereby acknowledge, consent, covenant and agree to the following:
  - (a) the Loan is due and owing to the Lender and the Indebted Parties are jointly and severally liable to the Lender for the payment of the Indebtedness together with interest, fees, and costs in accordance with the Security and this Agreement;
  - (b) the Indebted Parties hereby acknowledge and agree that the Loan as at the 1 day of December, 2022 is set out in Schedule "C", plus fees, costs and interest which continue to accrue in accordance with the terms of the Loan Agreement and Security;
  - (c) the Indebted Parties represent to the Lender that none of them have any defences, set-offs, or counterclaims which would entitle them to dispute the Loan as being fully due and payable and the Security being fully enforceable;
  - (d) that no consents, waivers, or releases have been given by the Lender in connection with the Security or the Loan;
  - (e) the Indebted Parties represent and warrant to the Lender that all of the warranties and representations in the Security are true and correct as of the date hereof.

#### **ARTICLE 3. EXTENSION AND AMENDMENT**

- 3.1 From and after the Effective Date the Loan Agreement is amended from and after the date hereof as follows:
  - (a) The definition of "Interest Rate" is hereby deleted in its entirety and replaced with the following:

**“Interest Rate”** means the floating rate equal to the TD Prime Rate + 2.55% until August 1, 2024 increasing to the TD Prime Rate + 4.55% thereafter, subject to a floor rate equal to the 6.50%.”

- (b) The definition of “Maturity Date” is hereby deleted in its entirety and replaced with the following:

**“Maturity Date”** means September 1, 2024.”

- (c) The definition of “Term” is hereby deleted in its entirety and replaced with the following:

**“Term”** means the period of 69 months from and including the Interest Adjustment Date to and including the Maturity Date.”

- (d) The definition “Renewal Option” and Section 3.4 are hereby deleted in its entirety.

- (e) By adding a new Section 7.2 as follows:

“7.2 The Obligors, jointly and severally, covenant with the Lender that:

“a” The Obligors will provide quarterly reporting on leasing updates on the Secured Property, including but not limited to updated rent roll, leasing pipeline, lease negotiations, tenant turnover / renewals, etc.

“b” Effective May 1, 2023, Slate Canadian Real Estate Opportunity Fund I L.P. shall not make any distributions until the Borrower has made a partial principal repayment(s) of the Loan, after May 1, 2023, totalling at least \$6,500,000.

- 3.2 The Indebted Parties covenant and agree to pay to the Lender an extension fee (the **“Extension Fee”**), which sum shall not be credited as a partial repayment of the Loan, as follows:

- (a) \$108,500.00 on or prior to May 5, 2023 (the **“Initial Extension Fee”**) (the Lender acknowledges receipt of the foregoing);
- (b) If the Borrower has made a partial principal repayment of the Loan of at least \$6,500,000.00 pursuant to Article 5, no further extension fee shall be payable to the Lender;
- (c) If the Borrower has not made a partial principal repayment of the Loan of at least \$6,500,000.00 pursuant to Article 5, then \$142,600.00 shall be payable as an exit fee on the Maturity Date.

- 3.3 Notwithstanding anything in the Loan Agreement, the Borrower acknowledges and agrees that:

- (a) the Lender will advance to the Borrowers an additional \$2,500,000.00 (**“New Advance”**), on the terms and conditions of this Agreement; and
- (b) no further portion of the Re-Positioning Facility shall be advanced and that the Borrower does not have any option to renew or extend the Term and Maturity Date.



#### **ARTICLE 4. ADDITIONAL ADVANCE**

- 4.1 Subject to the terms and conditions contained in this Amendment, the Lender hereby advances and the Borrower hereby acknowledges receipt of the New Advance, effective as of the date hereof, on the following terms:
- (a) The entire New Advance will be used to partially pay down the principal amount owing pursuant to the loan made by the Lender to SCREO I 700 2<sup>nd</sup> Inc. secured by a first charge against the Collateral Lands;
  - (b) The New Advance shall form part of the Loan and be secured by the Security.

#### **ARTICLE 5. REQUIRED REPAYMENT**

- 5.1 The Borrower shall be required to make partial principal repayments of the Loan by a collective total of and up to a maximum of \$6,500,000.00 (inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Section 5.1) as follows:

- (a) Capital Point – Tower 3: Subject to Section 5.1(b)(ii) below, the Borrower shall make, on the closing date, a partial principal repayment of the Loan equal to the greater of \$1,000,000.00 or 10% of the net sales proceeds of Capital Point – Tower 3 (subject to a maximum of \$6,500,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 5).
- (b) Capital Point – Tower 1:
  - (i) In the event that Capital Point – Tower 1 is sold together with or after the sale of Capital Point – Tower 3, then the Borrower shall make, on the closing date, a partial principal repayment of the Loan equal to the greater of \$2,000,000.00 (inclusive of any partial repayments made pursuant to Section 5.1(a)) or 10% of the net sales proceeds of the sale of Capital Point – Tower 1 (subject to a maximum of \$6,500,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 5);
  - (ii) In the event that Capital Point – Tower 1 is sold prior to the sale of Capital Point – Tower 3, then the Borrower shall make, on the closing date, a partial principal repayment of the Loan in an amount equal to 10% of any net sale proceeds of Capital Point – Tower 1 (subject to a maximum of \$6,500,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 5).
- (c) Dixie Outlet Mall: The Borrower shall make, on the closing date, a partial principal repayment of the Loan equal to the greater of \$6,500,000 or 10% of the net sales proceeds of Dixie Outlet Mall (subject to a maximum of \$6,500,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 5).

In the event the Dixie Outlet Mall is sold in phases the Borrower shall make, on each closing date, a partial principal repayment of the Loan equal to 10% of the net sales proceeds from each individual or partial sale of a phase of Dixie Outlet Mall, subject to a maximum of \$6,500,000.00 inclusive of all repayments made in connection with the sale of a phase of

Dixie Outlet Mall (subject to a maximum of \$6,500,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 5).

For greater clarity:

- (A) “**net sale proceeds**” shall mean the aggregate gross proceeds received from the sale, net of any repayments of financing relating to such property, and net of reasonable legal fees, real estate commissions and normal closing costs;
- (B) “**Capital Point – Tower 3**”, “**Capital Point – Tower 1**”, and “**Dixie Outlet Mall**” mean those properties municipally and legally described on Schedule “C” and the “**Pledged Assets**” shall mean the Capital Point – Tower 3, Capital Point – Tower 3, and Dixie Outlet Mall collectively;
- (C) in the event a partial ownership in Capital Point – Tower 1, Capital Point – Tower 3, or Dixie Outlet Mall is sold then the Borrower shall make a pro rata partial repayment pursuant to Section 5.1(a), 5.1(b) or 5.1(c), as applicable;
- (D) the Borrower is required to make the partial principal repayments up to a maximum of \$6,500,000.00 in connection with the sale of the Pledged Assets on an aggregate basis. Upon principal repayments of \$6,500,000.00 having been made pursuant to Section 5.1(a), 5.1(b), 5.1(c) and/or 5.2, the Borrower shall have no further obligation to make partial principal repayments pursuant to this Article 5;
- (E) the Extension Fee shall not be deemed to be a repayment; and
- (F) the partial principal repayments herein shall not be applied to the interest payable by Borrower, which shall continue to remain payable along with the balance of the principal amount of the Loan in accordance with the Loan Agreement.

- 5.2 The repayment obligations of Sections 5.1 shall also apply in the event of the refinancing of Capital Point – Tower 3, Capital Point – Tower 1, and/or Dixie Outlet Mall which results in any equity pull from the properties. In such case, “net sale proceeds” shall be deemed to mean the aggregate gross proceeds received from the refinancing, net of any repayments of existing financing relating to such property, and net of reasonable legal fees, broker commissions and normal closing costs, and in all other cases the provisions of Sections 5.1 shall apply, *mutatis mutandis*, including but not limited to the maximum partial principal repayment obligation of \$6,500,000, inclusive of all repayments of the Loan since the date of this Loan extension, pursuant to this Article 5.

## ARTICLE 6. CONDITIONS

- 6.1 This amendment shall be conditioned upon (the “**Conditions**”):
- (a) Payment of the Initial Extension Fee by May 5, 2023;
  - (b) The approval of the extension by the Lender's Investment Committee, such approval to be at its sole discretion; (the Lender confirms that this Condition has been satisfied)
  - (c) Confirmation that there are no liens or Encumbrances registered against the Secured Property other than the Permitted Encumbrances;
  - (d) Review and approval by the Lender, in its sole discretion, of any claims, litigation, damages, fire code violations or destruction of the Secured Property;

- (e) The Indebted Parties executing and delivering, or causing the execution and delivery (by no later than March 31, 2022) of, such legal opinions, corporate certificates and authorizing resolutions as required by the Lender and the Lender's solicitor (in each case in a form satisfactory to the Lender and its solicitors), including but not limited to:
  - (i) A mortgage amending agreement;
  - (ii) An assignment of proceeds from SCREO I Dixie Outlet Mall Inc. and SCREO I Dixie Outlet Mall L.P. with respect to Dixie Outlet Mall;
  - (iii) An assignment of proceeds from SCREO I Metrotown Inc. and SCREO I Metrotown L.P. with respect to Capital Point – Tower 3 and Capital Point – Tower 1;
  - (iv) A mortgage amending agreement with respect to the 2<sup>nd</sup> mortgage on the Collateral Lands increasing the principal amount to \$28,700,000.00,
  - (v) An additional limited guarantee from the Guarantor with to Article 4 and the foregoing assignment of proceeds;

(collectively with the Original Security the “**Security**”)

- (f) The Lender, in its sole and exclusive discretion, determines that the Indebted Parties, or any of them, have failed to provide full co-operation and assistance;
- (g) The Lender, in its sole discretion, determines that the Indebted Parties have failed to duly perform or observe any term, covenant, or obligation contained in the Security or this Agreement;
- (h) The Lender, in its sole discretion, is of the opinion that a representation, warranty, statement, declaration, or report made or rendered by any one or more of the Indebted Parties was false, misleading, or contained a material omission;
- (i) The Lender, in its sole discretion, determines that there has been a Material Adverse Change in the affairs of any of the Indebted Parties, or in its security position;

6.2 The Indebted Parties acknowledge and agree that in the event the Conditions are not satisfied by the time required therefor as set out herein, the whole of the Loan then remaining unpaid, including interest thereon and all legal costs on a solicitor client full indemnity basis, shall become immediately due and payable to the Lender, and the Lender shall be at liberty to immediately take any and all legal proceedings to recover any and all amounts then owing to the Lender by the Indebted Parties, and the Lender may immediately enforce the Security, and may rely on and use the acknowledgments, representations, covenants and all other scheduled documents provided by the Indebted Parties in this Agreement.

6.3 The Indebted Parties covenant and agree to pay to the Lender upon demand any and all costs and expenses incurred by the Lender in connection with the preparation, review, settlement, negotiation, due diligence, third party reports, finalization and completion of any and all matters described in this Agreement including, without limiting the generality of the foregoing, all fees and expenses paid to its agent(s) and all legal fees and expenses on a solicitor and his own client full indemnity basis.

## **ARTICLE 7. EXISTING SECURITY**

- 7.1 The Security and all covenants, provisos, powers, matters and things contained therein shall continue in full force and effect except as altered by this Agreement and that the Security shall be read and construed as though the above provisions had been inserted therein, mutatis mutandis.
- 7.2 This Agreement shall not be or constitute an accord and satisfaction between the Borrower and the Lender with respect to the Loan and the Security shall in no way be discharged, released or prejudiced by this Agreement and shall in no way be affected by this Agreement, save to the extent that the payment or other terms are herein expressly modified.
- 7.3 The amendments herein provided for shall not create or operate as a merger of or alter or prejudice the rights of the Lender in respect of the Security, except as expressly set out herein.
- 7.4 This Agreement is intended to be and shall operate as and constitute an amending agreement and not a novation of the Security. Without limiting the generality of the preceding, nothing in this Agreement shall be or constitute or operate as a release or waiver of any personal covenants contained in the Security, or a release or discharge of any other surety of or for the Loan.
- 7.5 The Original Guarantor, by their signatures below, hereby acknowledge and reaffirm all of their obligations and undertakings under the Guaranty and all other security granted in support of the Loan Agreement and acknowledge and agree that subsequent to, and after taking account of the provisions of this Agreement, the documents are and shall remain in full force and effect in accordance with the terms thereof.

## **ARTICLE 8. MISCELLANEOUS PROVISIONS**

- 8.1 This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta.
- 8.2 Time shall be of the essence in respect of all matters provided for in this Agreement.
- 8.3 The Indebted Parties covenant and agree from time to time, at the request of the Lender or the Lender's solicitors, to make, do, execute and deliver or cause to be made, done, executed and delivered all such further and other lawful acts, deeds, things, documents and assurances of whatsoever nature and kind either before or after the completion of the transactions contemplated herein for the better performance of the terms and conditions of this Agreement.
- 8.4 This Agreement may not be altered or amended in any fashion, without such alterations or changes being reduced in writing and signed by all of the parties hereto.
- 8.5 Any condonation, excusing, overlooking or waiver by the Lender of any default, breach or non-observance of any of the terms as set forth herein, or in respect of any of the Existing Security, shall not constitute a waiver by the Lender of its rights under this Agreement or the Existing Security in respect of any continuing or subsequent default, breach or non-performance (as the case may be), so as to defeat in any way the rights of the Lender pursuant to this Agreement or the Existing Security.
- 8.6 The rights conferred upon the Lender under this Agreement are intended to be exclusive of any other rights available to the Lender, and any such rights shall be cumulative and shall be in addition to


every other right either given hereunder, or available to the Lender either pursuant to the Security, or now or hereafter existing by law or in equity or otherwise.

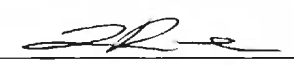
- 8.7 It is understood and agreed that the provisions hereof shall not merge upon the execution, registration or enforcement of this Agreement or any one or more of the Security, including the entry of any judgment or order in favour of the Lender.
- 8.8 Any provision hereof which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- 8.9 This Agreement shall be binding upon and enure to the benefit of the undersigned and their respective successors and assigns.
- 8.10 This Agreement may be executed and delivered in counterpart and delivered by facsimile or PDF electronic transmission, each of which will be deemed to be an original and such counterparts together will be deemed to constitute one and the same instrument. Any of the documents to be delivered and tendered pursuant to this Agreement (save and except to the extent that original signed documents are required for registration purposes) may be executed in counterpart and delivered and accepted by facsimile or PDF electronic transmission.

*Remainder of Page Intentionally Left Blank*


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**SCREO 1700 2ND INC.**

By:   
Name: Ramsey Ali  
Title: Authorized Signing Officer

By:   
Name: Lisa Rowe  
Title: Authorized Signing Officer

**SLATE CANADIAN REAL ESTATE  
OPPORTUNITY FUND I L.P. by its general partner  
SLATE CANADIAN OPPORTUNITY FUND GP  
INC.**

By:   
Name: Ramsey Ali  
Title: Authorized Signing Officer

By: 

Name: Lisa Rowe

Title: Authorized Signing officer

SCREO I GILL INC.

By: 

Name: Ramsey Ali

Title: Authorized Signing officer

By: 

Name: Lisa Rowe

Title: Authorized Signing officer

**TIMBERCREEK MORTGAGE SERVICING INC.**

By: \_\_\_\_\_

Name: Patrick Smith

Title: Managing Director, Credit

By: \_\_\_\_\_

Name: Scott Rowland

Title: Vice-President



**Schedule A**

**Properties**

1. Joffre Place – 708 11th Avenue Southwest, Calgary, AB

**PLAN A1**

**BLOCK 67**

**LOTS 21 TO 28 INCLUSIVE**

**EXCEPTING FIRSTLY OUT OF LOT 28 THE WEST 0.12 METRES**

**EXCEPTING SECONDLY AS TO SURFACE ONLY THAT PORTION FOR STREET  
WIDENING ON PLAN 8010836**

2. Life Plaza - 734 - 7th Avenue Southwest, Calgary, AB

**PLAN A1**

**BLOCK 33**

**THE WEST 4 INCHES OF LOT 33 AND ALL OF LOTS 34 TO 40 INCLUSIVE**

**EXCEPTING THEREOUT A PORTION AS TO SURFACE ONLY FOR ROAD  
WIDENING**

**ON PLAN 8311721**

**Schedule B**

**Collateral Lands**

1. 222 8<sup>th</sup> Avenue SW, Calgary, AB

**PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT THIRTY ONE (31)  
EXCEPTING THEREOUT  
AS TO SURFACE ONLY, PORTION FOR STREET WIDENING AS SHOWN ON PLAN  
7611318**

2. 226 8<sup>TH</sup> AVENUE SW, CALGARY, AB

**PLAN A CALGARY  
BLOCK FORTY NINE (49)  
LOT THIRTY TWO (32)**

3. 228 8<sup>TH</sup> AVENUE SW, CALGARY, AB

**PLAN A CALGARY  
BLOCK FORTY NINE (49)  
LOTS THIRTY THREE (33) AND THIRTY FOUR (34)**

**Schedule C**

**Statement of Debt**

**BORROWER STATEMENT OF ACCOUNT**

| BORROWER                                                                        |  |
|---------------------------------------------------------------------------------|--|
| Slate SCREO I Gill Inc.<br>Suite 200, 121 King Street West<br>Toronto, ON<br>CA |  |

| Property (Primary)                                  |  |
|-----------------------------------------------------|--|
| Joffre Place - 708 11th Ave SW<br>Calgary, AB<br>CA |  |

|                |                 |
|----------------|-----------------|
| LOAN NO.       | 18-46           |
| STATEMENT DATE | August 23, 2023 |

| STATEMENT SUMMARY |                          |
|-------------------|--------------------------|
| Statement Period  | 2022-11-01 to 2022-12-01 |
| Principal Balance | \$26,200,000.00          |
| Term              | 12                       |
| Interest Rate     | 9.75000%                 |
| Maturity Date     | December 1, 2022         |

Please advise us immediately of any discrepancies in the transactions or investment activity on your statement of account or if you contemplate changing your address. When making inquiries by telephone or in writing please give your account number. We urge you to keep this statement with your investment records.

| PRINCIPAL ACTIVITY |             |           |               |
|--------------------|-------------|-----------|---------------|
| Transaction        | Transaction | Principal | Principal     |
| Date               | Type        | Amount    | Balance       |
| 2022-12-01         |             | \$        | 26,200,000.00 |

| INTEREST ACTIVITY |             |          |            |
|-------------------|-------------|----------|------------|
| Transaction       | Transaction | Interest | Interest   |
| Date              | Type        | Paid     |            |
| 2022-11-01        | COLLECTION  | \$       | 176,122.22 |
| 2022-12-01        | COLLECTION  | \$       | 185,583.33 |
|                   |             | \$       | 361,705.55 |

| RESERVE BALANCES |         |
|------------------|---------|
|                  | Balance |

E. & O.E

**Schedule “D”**

**Municipal Address**

**Capital Point – Tower 3:** 5945 Kathleen Avenue, Burnaby, BC V5H 4L5

**Capital Point – Tower 1:** 4300-4330 Kingsway, Burnaby BC V5H 4G7

**Dixie Outlet Mall:** 1250 South Service Road, Mississauga, Ontario L5E 1V2

**Legal Descriptions**

**Capital Point – Tower 3 and Capital Point – Tower 1:**

PID 031-357-881, being Lot 1 District Lot 153 Group 1 New Westminster District Plan EPP107270

**Dixie Outlet Mall:**

PIN 13480-0546 (LT): PART LOT 6 CONCESSION 2 SOUTH DUNDAS ST (TOWNSHIP OF TORONTO) & PART BLOCKS A & B PLAN 305 AS IN RO854869 EXCEPT PARTS 1 & 2 PLAN 43R20591, PARTS 1, 2 & 3 EXPROPRIATION PLAN PR3431305 AND PARTS 1 TO 9 EXPROPRIATION PLAN PR3431900; T/W TT133286; S/T RO789903, RO799179, RO969553, RO969556, TT109061, TT150694; CITY OF MISSISSAUGA

## **Appendix D – SCREO 700 Extension**

Made as of the 1<sup>st</sup> day of December, 2022 (the “Effective Date”).

BETWEEN:

SCREO I 700 2ND INC. and 58508 ALBERTA LTD.  
(collectively as “Borrower”)

-and-

SLATE CANADIAN REAL ESTATE OPPORTUNITY FUND I L.P.  
(the “Guarantor” and collectively with the Borrower the “Indebted Parties”)

-and-

TIMBERCREEK MORTGAGE SERVICING INC.  
(the “Lender”)

### LOAN AMENDING AGREEMENT

- A. WHEREAS the Lender has arranged to provide loan facilities to the Borrower (the “Loan”) pursuant to a Loan Agreement dated November 27, 2018, as amended by agreements dated February 19, 2019 and March 31, 2022 (collectively the “Loan Agreement”);
- B. AND WHEREAS as security for the Loan and the Loan Agreement the Borrower granted, or caused to be granted, onto the Lender, amongst other things, the following security (hereinafter collectively referred to with the Loan Agreement as the “Original Security”).
- a. A Mortgage from SCREO I 700 2<sup>nd</sup> Inc. registered at the Land Titles Office for the Alberta Land Registration District on December 3, 2018 as Instrument Number 181 260 437 against the lands legally described as in Schedule A attached hereto (the “Lands”), as amended by Mortgage Amending Agreement registered as Instrument 221 166 649;
  - b. A General Assignment of Rents from SCREO I 700 2<sup>nd</sup> Inc. registered by way of Caveat at the Land Titles Office for the Alberta Land Registration District on December 3, 2018 as Instrument Number 181 260 439 against the Lands;
  - c. A Mortgage of Lease from 58508 Alberta Ltd. registered at the Land Titles Office for the Alberta Land Registration District on December 3, 2018 as Instrument Number 181 260 438 against the Lands, as amended by Caveat re Mortgage Amending Agreement registered as Instrument 231 066 015;
  - d. A General Assignment of Rents from 58508 Alberta Ltd. registered by way of Caveat in the Land Titles Office for the Alberta Land Registration District on December 3, 2018 as Instrument Number 181 260 440 against the Lands;

e. A Site Specific Security Agreement registered at the Personal Property Registry Office from the Borrower;

f. A Limited Liability Guarantee (the “Guaranty”) from the Guarantor;

C. AND WHEREAS the Loan matured on December 1, 2022 and the Borrower has requested the Lender provide an extension of time to repay the Loan;

D. AND WHEREAS the Lender has agreed, subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the provisions, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

#### ARTICLE 1. INTERPRETATION

1.1 The recitals are incorporated into and form a part hereof.

1.2 Except as otherwise defined herein, any capitalized terms shall have the meaning ascribed thereto in the Loan Agreement.

#### ARTICLE 2. ACKNOWLEDGMENTS

2.1 The Indebted Parties hereby acknowledge, consent, covenant and agree to the following:

- (a) the Loan is due and owing to the Lender and the Indebted Parties are jointly and severally liable to the Lender for the payment of the Indebtedness together with interest, fees, and costs in accordance with the Security and this Agreement;
- (b) the Indebted Parties hereby acknowledge and agree that the Loan as at the 1 day of December, 2022 is set out in Schedule “B”, plus fees, costs and interest which continue to accrue in accordance with the terms of the Loan Agreement and Security;
- (c) the Indebted Parties represent to the Lender that none of them have any defences, set-offs, or counterclaims which would entitle them to dispute the Loan as being fully due and payable and the Security being fully enforceable;
- (d) that no consents, waivers, or releases have been given by the Lender in connection with the Security or the Loan;
- (e) the Indebted Parties represent and warrant to the Lender that all of the warranties and representations in the Security are true and correct as of the date hereof.

#### ARTICLE 3. EXTENSION AND AMENDMENT

3.1 From and after the Effective Date the Loan Agreement is amended from and after the date hereof as follows:

- (a) The definition of “Interest Rate” is hereby deleted in its entirety and replaced with the following:



“Interest Rate” means the floating rate equal to the TD Prime Rate + 2.80% until August 1, 2024 increasing to the TD Prime Rate + 4.80% thereafter, subject to a floor rate equal to the 6.75%.”

- (b) The definition of “Maturity Date” is hereby deleted in its entirety and replaced with the following:

“Maturity Date” means September 1, 2024.”

- (c) The definition of “Term” is hereby deleted in its entirety and replaced with the following:

“Term” means the period of 69 months from and including the Interest Adjustment Date to and including the Maturity Date.”

- (d) The definition of “Renewal Option” and Section 3.4 are hereby deleted in its entirety.

- (e) By adding a new Section 7.2 as follows:

“7.2 The Obligors, jointly and severally, covenant with the Lender that:

“a” The Obligors will provide quarterly reporting on leasing updates on the Secured Property, including but not limited to updated rent roll, leasing pipeline, lease negotiations, tenant turnover / renewals, etc.

“b” Effective May 1, 2023, the Guarantor shall not make any distributions until the Borrower has made a partial principal repayment(s) of the Loan, after May 1, 2023, totalling at least \$30,000,000.

- 3.2 The Indebted Parties covenant and agree to pay to the Lender an extension fee (the “Extension Fee”), which sum shall not be credited as a partial repayment of the Loan, as follows:

- (a) \$500,000.00 on or prior to April 7, 2023 (the “Initial Extension Fee”) (the Lender acknowledges receipt of the foregoing);
- (b) If the Borrower has made a partial principal repayment of the Loan of at least \$30,000,000.00 pursuant to Article 4, no further extension fee shall be payable to the Lender;
- (c) If the Borrower has not made a partial principal repayment of the Loan of at least \$30,000,000.00 pursuant to Article 4, then \$660,500.00 shall be payable as an exit fee on the Maturity Date.

- 3.3 Notwithstanding anything in the Loan Agreement, the Borrower acknowledges and agrees that no further portion of the Re-Positioning Facility shall be advanced and that the Borrower does not have any option to renew or extend the Term and Maturity Date.

#### ARTICLE 4. REQUIRED REPAYMENT

4.1 The Borrower shall be required to make partial principal repayments of the Loan by a collective total of and up to a maximum of \$30,000,000.00 (inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Section 4.1) as follows:

- (a) Capital Point – Tower 3: Subject to Section 4.1(b)(ii) below, the Borrower shall make, on the closing date, a partial principal repayment of the Loan equal to the greater of \$5,000,000.00 or 50% of the net sales proceeds of Capital Point – Tower 3 (subject to a maximum of \$30,000,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 4).
- (b) Capital Point – Tower 1:
  - (i) In the event that Capital Point – Tower 1 is sold together with or after the sale of Capital Point – Tower 3, then the Borrower shall make, on the closing date, a partial principal repayment of the Loan equal to the greater of \$15,000,000.00 (inclusive of any partial repayments made pursuant to Section 4.1(a)) or 25% of the net sales proceeds of the sale of Capital Point – Tower 1 (subject to a maximum of \$30,000,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 4);
  - (ii) In the event that Capital Point – Tower 1 is sold prior to the sale of Capital Point – Tower 3, then the Borrower shall make, on the closing date, a partial principal repayment of the Loan in an amount equal to 25% of any net sale proceeds of Capital Point – Tower 1, and, pending the sale of Capital Point – Tower 3, shall cause the Lender to be granted a collateral mortgage on Capital Point – Tower 3 on the following terms:
    - (1) in a principal amount equal to the difference between (i) \$15,000,000.00 and (ii) the amount received by the Lender in connection with the sale of Capital Point – Tower 1;
    - (2) which mortgage shall be deemed to have been paid upon the earlier of (i) the payment of the principal amount thereof in connection with a sale of Capital Point – Tower 3, or (ii) the date when the Borrower has made partial principal repayments of \$30,000,000.00 on the Loan pursuant to this Section 4.1 (subject to a maximum of \$30,000,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 4).
- (c) Dixie Outlet Mall: The Borrower shall make, on the closing date of the sale of Dixie Outlet Mall, a partial principal repayment of the Loan equal to the greater of \$20,000,000.00 or 50% of the net sales proceeds of Dixie Outlet Mall (subject to a maximum of \$30,000,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 4).

In the event the Dixie Outlet Mall is sold in phases the Borrower shall make, on each closing date, a partial principal repayment of the Loan equal to 50% of the net sales proceeds from each individual or partial sale of a phase of Dixie Outlet Mall, subject to a maximum of \$20,000,000.00 inclusive of all repayments made in connection with the sale of a phase of

Dixie Outlet Mall (subject to a maximum of \$30,000,000 inclusive of all repayments of the Loan since the date of this Loan extension pursuant to this Article 4).

For greater clarity:

- (A) “net sale proceeds” shall mean the aggregate gross proceeds received from the sale, net of any repayments of financing relating to such property, and net of reasonable legal fees, real estate commissions and normal closing costs;
- (B) “Capital Point – Tower 3”, “Capital Point – Tower 1”, and “Dixie Outlet Mall” mean those properties municipally and legally described on Schedule “C” and the “Pledged Assets” shall mean the Capital Point – Tower 3, Capital Point – Tower 3, and Dixie Outlet Mall collectively;
- (C) in the event a partial ownership in Capital Point – Tower 1, Capital Point – Tower 3, or Dixie Outlet Mall is sold then the Borrower shall make a pro rata partial repayment pursuant to Section 4.1(a), 4.1(b) or 4.1(c), as applicable;
- (D) the Borrower is required to make the partial principal repayments up to a maximum of \$30,000,000 in connection with the sale of the Pledged Assets on an aggregate basis. Upon principal repayments of \$30,000,000.00 having been made pursuant to Section 4.1(a), 4.1(b), 4.1(c) and/or 4.2, the Borrower shall have no further obligation to make partial principal repayments pursuant to this Article 4;
- (E) the Extension Fee shall not be deemed to be a repayment; and
- (F) the partial principal repayments herein shall not be applied to the interest payable by Borrower, which shall continue to remain payable along with the balance of the principal amount of the Loan in accordance with the Loan Agreement.

- 4.2 The repayment obligations of Sections 4.1 shall also apply in the event of the refinancing of Capital Point – Tower 3, Capital Point – Tower 1, and/or Dixie Outlet Mall which results in any equity pull from the properties. In such case, “net sale proceeds” shall be deemed to mean the aggregate gross proceeds received from the refinancing, net of any repayments of existing financing relating to such property, and net of reasonable legal fees, broker commissions and normal closing costs, and in all other cases the provisions of Sections 4.1 shall apply, mutatis mutandis, including but not limited to the maximum partial principal repayment obligation of \$30,000,000, inclusive of all repayments of the Loan since the date of this Loan extension, pursuant to this Article 4.

## ARTICLE 5. CONDITIONS

- 5.1 This amendment shall be conditioned upon (the “Conditions”):

- (a) Payment of the Initial Extension Fee by April 7, 2023;
- (b) The approval of the extension by the Lender's Investment Committee, such approval to be at its sole discretion; (the Lender confirms that this Condition has been satisfied)
- (c) Confirmation that there are no liens or Encumbrances registered against the Secured Property other than the Permitted Encumbrances;
- (d) Confirmation that all property taxes with respect to the Secured Property have been paid;

- (e) Review and approval by the Lender, in its sole discretion, of any claims, litigation, damages, fire code violations or destruction of the Secured Property;
- (f) The Indebted Parties executing and delivering, or causing the execution and delivery (by no later than May 31, 2023) of, such legal opinions, corporate certificates and authorizing resolutions as required by the Lender and the Lender's solicitor (in each case in a form satisfactory to the Lender and its solicitors) including but not limited to:
  - (i) A mortgage amending agreement;
  - (ii) An assignment of proceeds from SCREO I Dixie Outlet Mall Inc. and SCREO I Dixie Outlet Mall L.P. with respect to Dixie Outlet Mall;
  - (iii) An assignment of proceeds from SCREO I Metrotown Inc. and SCREO I Metrotown L.P. with respect to Capital Point – Tower 3 and Capital Point – Tower 1;
  - (iv) An additional limited guarantee from the Guarantor with to Article 4 and the foregoing assignment of proceeds;
  - (v) An undertaking to provide, pursuant to Section 4.1(b), a limited guarantee, mortgage and beneficial charge from SCREO I Metrotown Inc. and SCREO I Metrotown L.P. with respect to Capital Point – Tower 3;
  - (vi) An undertaking to provide, on a commercially reasonable efforts basis, a limited guarantee, second mortgage and beneficial charge from SCREO I Dixie Outlet Mall Inc. and SCREO I Dixie Outlet Mall L.P. in the amount of \$20,000,000 on Dixie Outlet Mall after finalizing a loan extension with the first lender thereof, National Bank. If such second mortgage charge is secured, it will be fully extinguished upon the \$30,000,000 partial principal repayment of the Loan pursuant to Article 4.

(collectively with the Original Security the "Security")

- (g) The Lender, in its sole and exclusive discretion, determines that the Indebted Parties, or any of them, have failed to provide full co-operation and assistance;
- (h) The Lender, in its sole discretion, determines that the Indebted Parties have failed to duly perform or observe any term, covenant, or obligation contained in the Security or this Agreement;
- (i) The Lender, in its sole discretion, is of the opinion that a representation, warranty, statement, declaration, or report made or rendered by any one or more of the Indebted Parties was false, misleading, or contained a material omission;
- (j) The Lender, in its sole discretion, determines that there has been a Material Adverse Change in the affairs of any of the Indebted Parties, or in its security position;

5.2 The Indebted Parties acknowledge and agree that in the event the Conditions are not satisfied by the time required therefor as set out herein, the whole of the Loan then remaining unpaid, including interest thereon and all legal costs on a solicitor client full indemnity basis, shall become immediately

due and payable to the Lender, and the Lender shall be at liberty to immediately take any and all legal proceedings to recover any and all amounts then owing to the Lender by the Indebted Parties, and the Lender may immediately enforce the Security, and may rely on and use the acknowledgments, representations, covenants and all other scheduled documents provided by the Indebted Parties in this Agreement.

- 5.3 The Indebted Parties covenant and agree to pay to the Lender upon demand any and all costs and expenses incurred by the Lender in connection with the preparation, review, settlement, negotiation, due diligence, third party reports, finalization and completion of any and all matters described in this Agreement including, without limiting the generality of the foregoing, all fees and expenses paid to its agent(s) and all legal fees and expenses on a solicitor and his own client full indemnity basis.

#### ARTICLE 6. EXISTING SECURITY

- 6.1 The Security and all covenants, provisos, powers, matters and things contained therein shall continue in full force and effect except as altered by this Agreement and that the Security shall be read and construed as though the above provisions had been inserted therein, mutatis mutandis.
- 6.2 This Agreement shall not be or constitute an accord and satisfaction between the Borrower and the Lender with respect to the Loan and the Security shall in no way be discharged, released or prejudiced by this Agreement and shall in no way be affected by this Agreement, save to the extent that the payment or other terms are herein expressly modified.
- 6.3 The amendments herein provided for shall not create or operate as a merger of or alter or prejudice the rights of the Lender in respect of the Security, except as expressly set out herein.
- 6.4 This Agreement is intended to be and shall operate as and constitute an amending agreement and not a novation of the Security. Without limiting the generality of the preceding, nothing in this Agreement shall be or constitute or operate as a release or waiver of any personal covenants contained in the Security, or a release or discharge of any other surety of or for the Loan.
- 6.5 The Guarantors, by their signatures below, hereby acknowledge and reaffirm all of their obligations and undertakings under the Guaranty and all other security granted in support of the Loan Agreement and acknowledge and agree that subsequent to, and after taking account of the provisions of this Agreement, the documents are and shall remain in full force and effect in accordance with the terms thereof.

#### ARTICLE 7. MISCELLANEOUS PROVISIONS

- 7.1 This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta.
- 7.2 Time shall be of the essence in respect of all matters provided for in this Agreement.
- 7.3 The Indebted Parties covenant and agree from time to time, at the request of the Lender or the Lender's solicitors, to make, do, execute and deliver or cause to be made, done, executed and delivered all such further and other lawful acts, deeds, things, documents and assurances of whatsoever nature and kind either before or after the completion of the transactions contemplated herein for the better performance of the terms and conditions of this Agreement.

- 7.4 This Agreement may not be altered or amended in any fashion, without such alterations or changes being reduced in writing and signed by all of the parties hereto.
- 7.5 Any condonation, excusing, overlooking or waiver by the Lender of any default, breach or non-observance of any of the terms as set forth herein, or in respect of any of the Existing Security, shall not constitute a waiver by the Lender of its rights under this Agreement or the Existing Security in respect of any continuing or subsequent default, breach or non-performance (as the case may be), so as to defeat in any way the rights of the Lender pursuant to this Agreement or the Existing Security.
- 7.6 The rights conferred upon the Lender under this Agreement are intended to be exclusive of any other rights available to the Lender, and any such rights shall be cumulative and shall be in addition to every other right either given hereunder, or available to the Lender either pursuant to the Security, or now or hereafter existing by law or in equity or otherwise.
- 7.7 It is understood and agreed that the provisions hereof shall not merge upon the execution, registration or enforcement of this Agreement or any one or more of the Security, including the entry of any judgment or order in favour of the Lender.
- 7.8 Any provision hereof which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- 7.9 This Agreement shall be binding upon and enure to the benefit of the undersigned and their respective successors and assigns.
- 7.10 This Agreement may be executed and delivered in counterpart and delivered by facsimile or PDF electronic transmission, each of which will be deemed to be an original and such counterparts together will be deemed to constitute one and the same instrument. Any of the documents to be delivered and tendered pursuant to this Agreement (save and except to the extent that original signed documents are required for registration purposes) may be executed in counterpart and delivered and accepted by facsimile or PDF electronic transmission.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

**SCREO I 700 2ND INC.**

By: 

Name: Ramsey Ali

Title: Authorized Signing officer

By: 

Name: Lisa Rowe


Title: Authorized Signing officer

**58508 ALBERTA LTD.**

By: 

Name: Ramsey Ali

Title: Authorized Signing officer

By: 

Name: Lisa Rowe

Title: Authorized Signing officer

SLATE CANADIAN REAL ESTATE  
OPPORTUNITY FUND I L.P. by its general partner  
SLATE CANADIAN OPPORTUNITY FUND GP  
INC.



By: \_\_\_\_\_

Name: Ramsey Ali

Title: Authorized Signing Officer



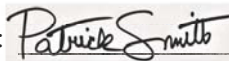
By: \_\_\_\_\_

Name: Lisa Rowe

Title: Authorized Signing Officer



**TIMBERCREEK MORTGAGE SERVICING INC.**

By: \_\_\_\_\_

Name: Patrick Smith

Title: Managing Director, Credit

By: \_\_\_\_\_

Name: Scott Rowland

Title: Vice-President

Schedule A

Properties

Stephen Avenue Place – 700 2<sup>nd</sup> Street SW, Calgary, AB

1. PLAN 7410276  
BLOCK 49  
LOT 41  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.458 HECTARES (1.13 ACRES) MORE OR LESS
  
2. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT THIRTY (30)  
EXCEPTING THE EASTERLY EIGHT AND ONE HALF (8 1/2) INCHES  
THROUGHOUT OF SAID LOT
  
3. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT TWENTY NINE (29) AND THE MOST EASTERLY EIGHT AND ONE  
HALF (8 1/2) INCHES OF LOT THIRTY (30)
  
4. PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
THOSE PORTIONS OF LOTS NINE (9), TEN (10) AND ELEVEN (11) WHICH  
LIE ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF THREE  
THOUSAND FOUR HUNDRED AND FORTY ONE AND FIVE TENTHS  
(3441.5) FEET ABOVE MEAN SEA LEVEL AND DETERMINED BY  
REFERENCE TO ALBERTA SURVEY CONTROL MONUMENT NO. 655-  
4.181 HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED  
AND THIRTY SEVEN AND FIFTY SEVEN HUNDREDTHS (3437.57) FEET  
CONFIRMED ON THE 15 DAY OF OCTOBER 1970 BY THE DIRECTOR OF  
SURVEYS OF THE PROVINCE OF ALBERTA BOUNDED AS FOLLOWS:  
COMMENCING AT A POINT IN THE NORTH BOUNDARY OF LOT NINE (9)  
DISTANT FIFTEEN (15) FEET EASTERLY FROM THE NORTH WEST  
CORNER OF THE SAID LOT NINE (9) THENCE SOUTHERLY PARALLEL  
WITH THE WEST BOUNDARY OF THE SAID LOT NINE (9) ON AN  
ASSUMED BEARING OF SOUTH TWO (2) DEGREES THIRTY SEVEN (37)  
MINUTES THIRTY (30) SECONDS WEST A DISTANCE OF ONE HUNDRED  
THIRTY AND SIX HUNDREDTHS (130.06) FEET MORE OR LESS TO THE  
SOUTH BOUNDARY OF SAID LOT NINE (9) THENCE EASTERLY ALONG  
THE SOUTH BOUNDARY OF LOTS NINE (9) TEN (10) AND ELEVEN (11)

ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES FIVE (5) SECONDS EAST A DISTANCE OF FORTY AND FOURTEEN HUNDREDTHS (40.14) FEET THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY SEVEN AND FIFTY THREE HUNDREDTHS (37.53) FEET THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST, A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF EIGHTEEN AND TWENTY SEVEN HUNDREDTHS (18.27) FEET THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE SECONDS EAST A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY FIVE AND FORTY TWO HUNDREDTHS (35.42) FEET, THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SIXTY SEVEN HUNDREDTHS (19.67) FEET, THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS EAST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SEVENTEEN HUNDREDTHS (19.17) FEET MORE OR LESS TO THE NORTH BOUNDARY OF LOT ELEVEN (11) THENCE WESTERLY ALONG THE NORTH BOUNDARY OF LOTS NINE (9), TEN (10) AND ELEVEN (11) ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES TWENTY (20) SECONDS WEST A DISTANCE OF FORTY AND TWENTY TWO HUNDREDTHS (40.22) FEET MORE OR LESS TO THE POINT OF COMMENCEMENT CONTAINING FOUR THOUSAND SEVEN HUNDRED AND SIXTY SEVEN AND TWO ONE HUNDREDTHS (4767.2) SQUARE FEET MORE OR LESS  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: LEASEHOLD

COMMENCING ON THE 14 DAY OF JANUARY, 1975

TERMINATING ON THE 30 DAY OF APRIL, 2042

771087159

Schedule B

Statement of Debt

**BORROWER STATEMENT OF ACCOUNT**

| BORROWER                                  |  |
|-------------------------------------------|--|
| SCREO 1 700 2nd Inc. & 58508 Alberta Ltd. |  |
| Suite 200, 121 King Street West           |  |
| Toronto, ON                               |  |
| CA                                        |  |

| Property (Primary)         |  |
|----------------------------|--|
| 700 - 2nd Street Southwest |  |
| Calgary, AB                |  |
| CA                         |  |

|                |                 |
|----------------|-----------------|
| LOAN NO.       | 18-67           |
| STATEMENT DATE | August 23, 2023 |

| STATEMENT SUMMARY |                          |
|-------------------|--------------------------|
| Statement Period  | 2022-11-01 to 2022-12-01 |
| Principal Balance | \$132,631,090.00         |
| Term              | 12                       |
| Interest Rate     | 10.000000%               |
| Maturity Date     | December 1, 2022         |

Please advise us immediately of any discrepancies in the transactions or investment activity on your statement of account or if you contemplate changing your address. When making inquiries by telephone or in writing please give your account number. We urge you to keep this statement with your investment records.

| PRINCIPAL ACTIVITY |             |           |                |
|--------------------|-------------|-----------|----------------|
| Transaction        | Transaction | Principal | Principal      |
| Date               | Type        | Amount    | Balance        |
| 2022-12-01         |             | \$        | 132,631,090.00 |

| INTEREST ACTIVITY |             |          |              |
|-------------------|-------------|----------|--------------|
| Transaction       | Transaction | Interest |              |
| Date              | Type        | Paid     |              |
| 2022-11-01        | COLLECTION  | \$       | 919,207.13   |
| 2022-12-01        | COLLECTION  | \$       | 967,101.70   |
|                   |             | \$       | 1,886,308.83 |

| RESERVE BALANCES |         |
|------------------|---------|
|                  | Balance |

E. & O.E

Schedule “C”

Municipal Address

Capital Point – Tower 3: 5945 Kathleen Avenue, Burnaby, BC V5H 4L5  
Capital Point – Tower 1: 4300-4330 Kingsway, Burnaby BC V5H 4G7  
Dixie Outlet Mall: 1250 South Service Road, Mississauga, Ontario L5E 1V2

Legal Descriptions

Capital Point – Tower 3 and Capital Point – Tower 1:

PID 031-357-881, being Lot 1 District Lot 153 Group 1 New Westminster District Plan EPP107270

Dixie Outlet Mall:

PIN 13480-0546 (LT): PART LOT 6 CONCESSION 2 SOUTH DUNDAS ST (TOWNSHIP OF TORONTO)  
& PART BLOCKS A & B PLAN 305 AS IN RO854869 EXCEPT PARTS 1 & 2 PLAN 43R20591, PARTS  
1, 2 & 3 EXPROPRIATION PLAN PR3431305 AND PARTS 1 TO 9 EXPROPRIATION PLAN  
PR3431900; T/W TT133286; S/T RO789903, RO799179, RO969553, RO969556, TT109061, TT150694;  
CITY OF MISSISSAUGA

## **Appendix E – Assignment Agreements**

## ASSIGNMENT OF PROCEEDS

Assignor: SCREO I Metrotown Inc. (the “**Registered Owner**”) and SCREO I Metrotown GP INC., in its personal capacity and in its capacity as general partner of SCREO I Metrotown L.P. (the “**Beneficial Owner**”)

Assignee: Computershare Trust Company Of Canada as agent, nominee and bare trustee for and on behalf of Timbercreek Mortgage Servicing Inc. (the “**Assignee**”)

Property: Capital Point – Tower 3: 5945 Kathleen Avenue, Burnaby, BC V5H 4L5  
Capital Point – Tower 1: 4300-4330 Kingsway, Burnaby BC V5H 4G7  
Legal Description: PID 031-357-881, being Lot 1 District Lot 153 Group 1  
New Westminster District Plan EPP107270

RE: Assignment of Proceeds of Sale

Dated: the 11 day of July, 2023

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**WHEREAS** SCREO I Gill Inc., as borrower, and Slate Canadian Real Estate Opportunity Fund I L.P. and SCREO I 700 2<sup>nd</sup> Inc., as guarantors, (collectively the “**Debtors**”) and the Assignee are parties to a commitment letter dated November 9, 2018, as amended by agreements dated March 31, 2022 and December 1, 2022 (the “**December Renewal**”), and as further amended from time to time (collectively the “**Credit Agreement**”);

**AND WHEREAS** as security for the Credit Agreement, the Debtors, amongst other things, mortgaged the Borrowers’ interest in the lands more particularly described in Schedule “A” (the “**Mortgage**”);

**AND WHEREAS** as collateral security for the repayment by the Borrowers of the loan and for the performance of the covenants of the Debtors contained in the Credit Agreement, the Mortgage and any other security instruments granted by the Debtors to the Assignee, and as a condition of the December Renewal, the Assignor has agreed to enter into this Assignment;

**NOW THEREFORE** in consideration of the covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, and other good and valuable consideration, the Assignor covenants, warrants and agrees with the Assignee as follows:

1. The preamble and any schedules attached hereto are incorporated into and form a part of this Assignment.
2. Unless otherwise noted in this Assignment, all capitalized words and terms shall have the meaning given to them in the Credit Agreement.



3. As security for Loan, the Assignor does hereby absolutely pledges, mortgages, charges, assigns, transfers and sets over unto the Assignee all right, title and interest it has or may hereafter have in net sale proceeds (as defined in the December Renewal) from the sale of the Property (the "**Distributions**") as partial principal repayment of the Loan, to the extent noted within Article 5 of the December Renewal. For greater certainty, the foregoing pledges, mortgages, assignments, and transfers shall automatically terminate upon the full \$6,500,000.00 repayment described in Article 5 of the December Renewal having been made to the Lender.
4. The Assignor covenants, represents and warrants as follows:
  - a. to notify the Assignee upon any agreement for the sale of the Property being entered into and becoming unconditional, including providing a copy thereof;
  - b. the Registered Owner is the sole registered owner on title and holds the Property as bare nominee and trustee for the Beneficial Owner pursuant to the nominee agreement, a copy of which is attached hereto as Schedule "B", which is in full force and effect and remains unamended as of the date hereof. The undersigned will not amend or permit the amendment of the nominee agreement without first obtaining the written approval of the Assignee;
  - c. the Beneficial Owner is the sole beneficial owner of the Property;
  - d. it now has good right, full power and absolute authority to assign its interest in the Distributions in the manner aforesaid according to the true intent and meaning of this Assignment;
  - e. the Partnership agreements is in good standing;
  - f. it has not done nor permitted any acts to encumber the Distributions;
  - g. not to further transfer, assign, pledge or encumber the Distribution so long as this Assignment remains in force without the prior written consent of the Assignee; and
  - h. to notify the Assignee of any potential sell, transfer, mortgage, charge or other disposition or encumbrance of its legal or beneficial interest in the Property
5. The Beneficial Owner hereby irrevocably directs and authorizes the Registered Owner to execute and deliver to the Lender this Assignment and such other indemnities, certificates, acknowledgements, agreements and documents as may be required, and to otherwise perform all actions required by the Registered Owner to carry out this Assignment. The Registered Owner hereby acknowledges receipt of the foregoing direction and agrees with the Assignee to be bound by such direction.


6. This Assignment shall be continuing security to the Assignee for repayment of the facilities under the Credit Agreement and this Assignment shall not in any way suspend or affect the rights and remedies of the Assignee arising at law or in equity, nor shall it affect the rights and remedies of the Assignee, arising under any other agreement which the Assignee now has or hereafter may hold in relation to the Credit Agreement.
7. The security herein granted and herein created shall not be affected by, or affect any other security taken for the indebtedness hereby secured, or any part thereof, and any extensions that may be made to the indebtedness of the Debtors to the Assignee shall not affect the priority of this security or the validity hereof.
8. Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of any Distributions. It is specifically agreed that the failure or refusal of the Assignee to make or enforce the collection of any Distributions shall not in any way prejudice the right of the Assignee to thereafter make or enforce collection thereof or in any way affect the indebtedness of the Debtors to the Assignee. The Assignee shall be liable to account only for such monies as are actually received by it by virtue of these presents, less all proper costs of collection, including legal charges.
9. The Assignor hereby covenants to do, perform, execute and deliver all acts, deeds and documents and any security as the Assignee may from time to time require to give full force and effect to the intent of this Assignment.
10. If any provision of this Assignment is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability attaches only to such portion of such provision and everything else in this Assignment continues in full force and effect.
11. The Assignor shall reimburse the Assignee on demand for all costs and expenses (including all legal fees on a solicitor and his own client full indemnity basis and expenses) incurred by the Lender or any receiver in connection with the enforcement of this Assignment.
12. This Assignment shall enure to the benefit of the Assignee, its successors and assigns and shall be binding upon the Assignor and its successors and assigns.
13. This Assignment shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the Assignor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters pertaining to this Assignment and Direction.
14. In the event of any discrepancy or conflict between this Assignment and the December Renewal, the terms of the December Renewal shall apply and take precedence.
15. This Assignment and Direction may be executed in several counterparts, and may be delivered by facsimile or by electronic mail in Portable Document Format (PDF), each of which, when so executed, shall be deemed to be an original, and such counterparts

together shall constitute one and same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the date written in the beginning of this Assignment and Direction.


**[signature page follows]**

**IN WITNESS WHEREOF** this Assignment has been executed as of the date first written above.


**SCREO I METROTOWN INC.**

Per:   
Name: Ramsey Ali  
Title: Authorized Signing Officer

**SCREO I METROTOWN GP INC.**

Per:   
Name: Ramsey Ali  
Title: Authorized Signing Officer

**SCREO I METROTOWN L.P. BY ITS  
GENERAL PARTNER, SCREO I  
METROTOWN GP INC.**

Per:   
Name: Ramsey Ali  
Title: Authorized Signing Officer

**Schedule "A"**  
**Lands**

1.   offre Place – 708 11th Avenue Southwest, Calgary, AB

PLAN A1  
BLOCK 67  
LOTS 21 TO 28 INCLUSIVE  
EXCEPTING FIRSTLY OUT OF LOT 28 THE WEST 0.12 METRES  
EXCEPTING SECONDLY AS TO SUFACE ONLY THAT PORTION FOR STREET  
WIDENING ON PLAN 8010836

2.   Life Plaza - 734 - 7th Avenue Southwest, Calgary, AB

PLAN A1  
BLOCK 33  
THE WEST 4 INCHES OF LOT 33 AND ALL OF LOTS 34 TO 40 INCLUSIVE  
EXCEPTING THEREOUT A PORTION AS TO SURFACE ONLY FOR ROAD  
WIDENING  
ON PLAN 8311721

**Schedule “B”**

## ASSIGNMENT OF PROCEEDS

Assignor: SCREO I Metrotown Inc. (the “**Registered Owner**”) and SCREO I Metrotown GP INC., in its personal capacity and in its capacity as general partner of SCREO I Metrotown L.P. (the “**Beneficial Owner**”)

Assignee: Computershare Trust Company Of Canada as agent, nominee and bare trustee for and on behalf of Timbercreek Mortgage Servicing Inc. (the “**Assignee**”)

Property: Capital Point – Tower 3: 5945 Kathleen Avenue, Burnaby, BC V5H 4L5  
Capital Point – Tower 1: 4300-4330 Kingsway, Burnaby BC V5H 4G7  
Legal Description: PID 031-357-881, being Lot 1 District Lot 153 Group 1  
New Westminster District Plan EPP107270

RE: Assignment of Proceeds of Sale

Dated: the 11th day of July, 2023

---

**WHEREAS** SCREO I 700 2nd Inc. and 58508 Alberta Ltd., as borrowers, and Slate Canadian Real Estate Opportunity Fund I L.P., as guarantor, (collectively the “**Debtors**”) and the Assignee are parties to a commitment letter dated November 27, 2018, as amended by agreements dated February 19, 2019, March 31, 2022 and December 1, 2022 (the “**December Renewal**”), and as further amended from time to time (collectively the “**Credit Agreement**”);

**AND WHEREAS** as security for the Credit Agreement, the Debtors, amongst other things, mortgaged the Borrowers’ interest in the lands more particularly described in Schedule “A” (the “**Mortgage**”);

**AND WHEREAS** as collateral security for the repayment by the Borrowers of the loan and for the performance of the covenants of the Debtors contained in the Credit Agreement, the Mortgage and any other security instruments granted by the Debtors to the Assignee, and as a condition of the December Renewal, the Assignor has agreed to enter into this Assignment;

**NOW THEREFORE** in consideration of the covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, and other good and valuable consideration, the Assignor covenants, warrants and agrees with the Assignee as follows:

1. The preamble and any schedules attached hereto are incorporated into and form a part of this Assignment.
2. Unless otherwise noted in this Assignment, all capitalized words and terms shall have the meaning given to them in the Credit Agreement.

3. As security for Loan, the Assignor does hereby absolutely pledges, mortgages, charges, assigns, transfers and sets over unto the Assignee all right, title and interest it has or may hereafter have in net sale proceeds (as defined in the December Renewal) from the sale of the Property (the "**Distributions**") as partial principal repayment of the Loan, to the extent noted within Article 4 of the December Renewal. For greater certainty, the foregoing pledges, mortgages, assignments, and transfers shall automatically terminate upon the full \$30,000,000.00 repayment described in Article 4 of the December Renewal having been made to the Lender.
4. The Assignor covenants, represents and warrants as follows:
  - a. to notify the Assignee upon any agreement for the sale of the Property being entered into and becoming unconditional, including providing a copy thereof;
  - b. the Registered Owner is the sole registered owner on title and holds the Property as bare nominee and trustee for the Beneficial Owner pursuant to the nominee agreement, a copy of which is attached hereto as Schedule "B", which is in full force and effect and remains unamended as of the date hereof. The undersigned will not amend or permit the amendment of the nominee agreement without first obtaining the written approval of the Assignee;
  - c. the Beneficial Owner is the sole beneficial owner of the Property;
  - d. it now has good right, full power and absolute authority to assign its interest in the Distributions in the manner aforesaid according to the true intent and meaning of this Assignment;
  - e. the Partnership agreements is in good standing;
  - f. it has not done nor permitted any acts to encumber the Distributions;
  - g. not to further transfer, assign, pledge or encumber the Distribution so long as this Assignment remains in force without the prior written consent of the Assignee; and
  - h. to notify the Assignee of any potential sell, transfer, mortgage, charge or other disposition or encumbrance of its legal or beneficial interest in the Property.
5. The Beneficial Owner hereby irrevocably directs and authorizes the Registered Owner to execute and deliver to the Lender this Assignment and such other indemnities, certificates, acknowledgements, agreements and documents as may be required, and to otherwise perform all actions required by the Registered Owner to carry out this Assignment. The Registered Owner hereby acknowledges receipt of the foregoing direction and agrees with the Assignee to be bound by such direction.



6. This Assignment shall be continuing security to the Assignee for repayment of the facilities under the Credit Agreement and this Assignment shall not in any way suspend or affect the rights and remedies of the Assignee arising at law or in equity, nor shall it affect the rights and remedies of the Assignee, arising under any other agreement which the Assignee now has or hereafter may hold in relation to the Credit Agreement.
7. The security herein granted and herein created shall not be affected by, or affect any other security taken for the indebtedness hereby secured, or any part thereof, and any extensions that may be made to the indebtedness of the Debtors to the Assignee shall not affect the priority of this security or the validity hereof.
8. Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of any Distributions. It is specifically agreed that the failure or refusal of the Assignee to make or enforce the collection of any Distributions shall not in any way prejudice the right of the Assignee to thereafter make or enforce collection thereof or in any way affect the indebtedness of the Debtors to the Assignee. The Assignee shall be liable to account only for such monies as are actually received by it by virtue of these presents, less all proper costs of collection, including legal charges.
9. The Assignor hereby covenants to do, perform, execute and deliver all acts, deeds and documents and any security as the Assignee may from time to time require to give full force and effect to the intent of this Assignment.
10. If any provision of this Assignment is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability attaches only to such portion of such provision and everything else in this Assignment continues in full force and effect.
11. The Assignor shall reimburse the Assignee on demand for all costs and expenses (including all legal fees on a solicitor and his own client full indemnity basis and expenses) incurred by the Lender or any receiver in connection with the enforcement of this Assignment.
12. This Assignment shall enure to the benefit of the Assignee, its successors and assigns and shall be binding upon the Assignor and its successors and assigns.
13. This Assignment shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein and the Assignor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters pertaining to this Assignment and Direction.
14. In the event of any discrepancy or conflict between this Assignment and the December Renewal, the terms of the December Renewal shall apply and take precedence.
15. This Assignment and Direction may be executed in several counterparts, and may be delivered by facsimile or by electronic mail in Portable Document Format (PDF), each of which, when so executed, shall be deemed to be an original, and such counterparts

together shall constitute one and same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the date written in the beginning of this Assignment and Direction.

**[signature page follows]**

**IN WITNESS WHEREOF** this Assignment has been executed as of the date first written above.

**SCREO I METROTOWN INC.**

**Per:**

**SCREO I METROTOWN GP INC.**

**Per:**

**SCREO I METROTOWN L.P. BY ITS GENERAL PARTNER,  
SCREO I METROTOWN GP INC.**

**Per:**

**Schedule "A"**  
**Lands**

Firstly

PLAN 'A' CALGARY

BLOCK FORTY NINE (49)

THOSE PORTIONS OF LOTS NINE (9), TEN (10) AND ELEVEN (11) WHICH LIE ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED AND FORTY ONE AND FIVE TENTHS (3441.5) FEET ABOVE MEAN SEA LEVEL AND DETERMINED BY REFERENCE TO ALBERTA SURVEY CONTROL MONUMENT NO. 655-4.181 HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED AND THIRTY SEVEN AND FIFTY SEVEN HUNDREDTHS (3437.57) FEET CONFIRMED ON THE 15 DAY OF OCTOBER 1970 BY THE DIRECTOR OF SURVEYS OF THE PROVINCE OF ALBERTA BOUNDED AS FOLLOWS:  
COMMENCING AT A POINT IN THE NORTH BOUNDARY OF LOT NINE (9) DISTANT FIFTEEN (15) FEET EASTERLY FROM THE NORTH WEST CORNER OF THE SAID LOT NINE (9) THENCE SOUTHERLY PARALLEL WITH THE WEST BOUNDARY OF THE SAID LOT NINE (9) ON AN ASSUMED BEARING OF SOUTH TWO (2) DEGREES THIRTY SEVEN (37) MINUTES THIRTY (30) SECONDS WEST A DISTANCE OF ONE HUNDRED THIRTY AND SIX HUNDREDTHS (130.06) FEET MORE OR LESS TO THE SOUTH BOUNDARY OF SAID LOT NINE (9) THENCE EASTERLY ALONG THE SOUTH BOUNDARY OF LOTS NINE (9) TEN (10) AND ELEVEN (11) ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES FIVE (5) SECONDS EAST A DISTANCE OF FORTY AND FOURTEEN HUNDREDTHS (40.14) FEET THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY SEVEN AND FIFTY THREE HUNDREDTHS (37.53) FEET THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST, A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF EIGHTEEN AND TWENTY SEVEN HUNDREDTHS (18.27) FEET THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE SECONDS EAST A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY FIVE AND FORTY TWO HUNDREDTHS (35.42) FEET, THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SIXTY SEVEN HUNDREDTHS (19.67) FEET, THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS EAST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SEVENTEEN HUNDREDTHS (19.17) FEET MORE OR LESS TO THE NORTH BOUNDARY OF LOT ELEVEN (11) THENCE WESTERLY ALONG THE NORTH BOUNDARY OF LOTS NINE (9), TEN (10) AND ELEVEN (11) ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES TWENTY (20) SECONDS WEST A DISTANCE OF FORTY AND TWENTY TWO HUNDREDTHS (40.22) FEET MORE OR LESS TO THE POINT OF COMMENCEMENT CONTAINING FOUR THOUSAND SEVEN HUNDRED AND SIXTY SEVEN AND TWO ONE HUNDREDTHS (4767.2) SQUARE FEET MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: LEASEHOLD

COMMENCING ON THE 14 DAY OF JANUARY, 1975

TERMINATING ON THE 30 DAY OF APRIL , 2042

771087159

Secondly

PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT TWENTY NINE (29) AND THE MOST EASTERLY EIGHT AND ONE HALF (8 1/2)  
INCHES OF LOT THIRTY (30)

Thirdly  
PLAN "A" CALGARY  
BLOCK FORTY NINE (49)  
LOT THIRTY (30)  
EXCEPTING THE EASTERLY EIGHT AND ONE HALF (8 1/2) INCHES THROUGHOUT OF SAID LOT

Fourthly  
PLAN 7410276  
BLOCK 49  
LOT 41  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.458 HECTARES (1.13 ACRES) MORE OR LESS