

COURT FILE NUMBER 1401-12431
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ACCESS MORTGAGE CORPORATION
(2004) LIMITED
RESPONDENT ARRES CAPITAL INC.

Clerk's Stamp

DOCUMENT **ADDENDUM TO THE COMPENDIUM OF MATERIALS IN
CONNECTION WITH THE APPLICATION RETURNABLE ON
SEPTEMBER 21, 2018 AT 10:00 A.M. BEFORE THE
HONOURABLE JUSTICE C.M. JONES**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
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Attention: Walker W. MacLeod / Pantelis Kyriakakis
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TAB 17



DATE July 25/18 EXHIBIT NO. 'A' FOR IDENT
 EXAM. OF M. ELLIS
Gayle Short
 EXAMINER CSR (A)
Amicus Reporting Group



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[What is a Mortgage Investment Corp. \(MIC\)?](#)

A Mortgage Investment Corp. (MIC) is a specific type of corporation that provides real estate loans to builders, developers, and other real estate owners and issues shares to the MIC investors. The investors earn interest income and borrowers obtain the financing needed to complete their projects.

A MIC is a specified type of company defined under the Income Tax Act that satisfies the qualified investment rules of the Act. Essentially, the Act allows income from a MIC to "flow through" to an investor (personal or corporate) or their registered accounts (RRSP, RRIF, TFSA) without any corporate income tax being deducted. If funds are held in an RRSP, income from the shares is not taxable in the hands of investors until the funds are withdrawn by the holder allowing tax free compounding of the investment.

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[What does Terrapin invest in?](#)

The Company holds a portfolio of individual mortgages. The majority of Terrapin's loans are in first position with the remainder in second position. The Income Tax Act requires a MIC to maintain a minimum of 50% of its loans on residential property (single family or multi family). Any remaining funds can be invested in commercial mortgages (office, industrial, retail, land, and developments e.g. bare land strata projects) or held in short-term investments. We lend primarily in British Columbia and Alberta. The loans are typically variable rate interest with 6-24 month terms so the portfolio is very fluid and the mix changes from time to time as we receive payouts on mortgages and make advances on new mortgages.

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[How does Terrapin earn premium yields on mortgages?](#)

Terrapin is able to charge higher rates of interest on loans than banks due to the specialized nature of the loans held in the pool. Many of the loans held are considered interim financing, and are repayable within 12 months. Borrowers may also have financing needs greater than the banks will accommodate and Terrapin can provide more flexible payment options such as interest only or interest reserves. These loan characteristics allow Terrapin to provide interim financing at rates and loan funding fees higher than traditional banks charge. When the developments are completed, they are either sold or the borrowers seek conventional financing at lower rate of interest and pay off Terrapin's loan.

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[How do I invest in Terrapin shares?](#)

Investors or their advisors simply have to contact us to receive the required forms and can hold their investment personally, inside or outside their RRSP, RRIF, TFSA, or through a corporation. How you hold your TMIC investment will depend on which forms you will need and whether or not the investment can be held directly or through a bank or trust company. Please click [Forms](#) to go to our Forms Page or click [here](#) for our contact information.

[Back to top](#)Is my investment RRSP, RRIF or TFSA eligible?

Yes. Typically investors instruct their bank or trust company to purchase shares of Terrapin through their self directed Registered Accounts. To purchase shares using their Registered Accounts, investors are required to have a self directed Registered Account at a bank or trust company. The investor instructs their trust company to purchase the specified amount of shares. The trust company will exchange the payment for share certificates along with the required forms. Our mortgage administrators can help answer questions you may have and suggest names of trust companies other investors have used in the past.

[Back to top](#)Can I buy shares outside of an RRSP/TFSA?

Yes. Individual or corporate investors may purchase Terrapin shares directly. Investors who do not want to hold their investment in an RRSP/TFSA simply have to contact us to receive the required forms and can hold their investment directly or through a bank or trust company.

[Back to top](#)Is there a minimum investment?

Yes. We require a minimum \$25,000 investment per shareholder for either Class "A" preferred shares (with an annual dividend) and a minimum of \$250,000 for Class "B" Preferred shares (that pay a quarterly dividend – please click [here](#) for more information). Once the minimum has been purchased, additional shares may be purchased by completing the required subscription forms for each subsequent purchase.

[Back to top](#)Can I buy shares at any time?

Yes. Terrapin issues preferred shares throughout its fiscal year based on the expected earnings for the year. Please refer to [Buying Shares at Terrapin MIC](#) for more information.

[Back to top](#)Can I sell shares at any time?

No. The shares for which you will subscribe are redeemable preference shares, which can be redeemed at the option of the directors of the company. Redemption may require up to six months' notice as the mortgage company may not be in a completely liquid position and it could take that long for the necessary cash for redemption to be available. Shares are redeemed at their par value of \$1.00 per share. The reason for this is explained above under the [dividend policy](#). Therefore it is often prudent for investors to wait until after the February 28 year end before redeeming any shares.

[Back to top](#)How do I receive my income from preferred shares?

The accumulated earnings as at February 28 will be distributed to the shareholders based on their shareholdings at February 28 within 90 days of year end for Class "A" shareholders. The Class B Preferred shareholders will be paid partial dividends quarterly and the balance discounted by 30 basis points (0.30%) within 90 days of year end (click [here](#) to refer to our Dividend Policy). The final distribution is discounted to cover the additional costs of administration and tying up capital. The income is treated as interest in the hands of the investors. Investors decide whether they want to receive their income by cheque or in additional shares of Terrapin to facilitate long-term growth and compounding. The vast majority of Terrapin's shareholders historically have chosen to roll their investment over to benefit from the compounding of their annual return. A T5 slip is issued for non-registered accounts annually for investors income tax reporting.

[Back to top](#)Can I trade or transfer my shares?

No. Because Terrapin is a private company there is no active market for the shares. Shares can only be transferred in limited cases including between a shareholder's accounts e.g. to/from RRSP, RRIF, TFSA, joint-spouse, personal holding company, trust or estate.

[Back to top](#)Are rates guaranteed?

No. Investing in a MIC is not like purchasing a GIC or Bond. The return to the investor depends on the results of the performance of the company as a whole. Please refer [here](#) for Terrapin's historic return chart.

[Back to top](#)Is my principle guaranteed?

No. Your investment is secured by mortgages on the underlying real estate financed by Terrapin. But there is risk associated with any type of investment including investing in a MIC. It is management's job to minimize that risk while balancing expected returns, but risk cannot be completely eliminated.

[Back to top](#)Can anyone invest?

No. TMIC does not lend to shareholders so none of our borrowers are eligible to invest. We require a minimum \$25,000 investment per shareholder for Class "A" preferred shares and a minimum \$250,000 for Class "B" preferred shares. This may exceed the amounts an investor should put in any one investment depending on the size of their investment portfolio and risk profile. Each investor should ensure they have a well diversified portfolio to balance risk as markets fluctuate over time. Investors should obtain independent investment and/or tax advice to determine if investing in a MIC is right for them given their investment criteria.

[Back to top](#)Why are Terrapin dividends treated as interest on my T5 slip?

Because Terrapin qualifies as a MIC and there is no corporate income tax deducted under the Income Tax Act, there is also no dividend tax credit and so the Canada Revenue Agency has directed that income be treated as interest.

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How are the mortgages assessed?

New mortgages are approved by the Mortgage Approval Committee and go through vigorous diligence before funding that will typically include the use of third party real estate appraisers, cost consultants, environmental consultants, and lawyers before being advanced. Additionally the portfolio on a whole must meet our balanced investment criteria including maintaining a minimum of 50% of loans on residential property (single family or multifamily). The remaining funds are invested in a mix of residential mortgages, commercial mortgages (office, industrial, retail, land, and developments e.g. bare land strata projects) or short-term investments.

Terrapin's mortgages have the same legal security in a mortgage as banks and other institutional lenders do. All documentation, security registration and disbursement of funds are prepared and handled by a lawyer licensed in the jurisdiction and are registered on title to the property being financed.

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Doran, Katie

EXHIBIT NO. 1039
JULY 25/18
EXAM. OF M. ELLIS
EXAMINER CSR (A)
Amicus Reporting Group

From: MacLeod, Walker W.
Sent: Tuesday, May 15, 2018 10:57 AM
To: Kerry Lynn Okita; Oliver, Jeffrey; 'Loran Halyn'; Craddock, Erin
Cc: Kyriakakis, Pantelis; Orest Konowalchuk (okonowalchuk@alvarezandmarsal.com); bkrol@alvarezandmarsal.com
Subject: Arres Capital Inc. - June 4, 2018 Application
Attachments: Re Elias Markets - Equitable Mortgage.pdf; Stone Sapphire.pdf

Further to Friday's conference call and for the benefit of Loran, the Receiver is desirous of confirming the relief that it will be seeking on June 4. The Receiver's application for the relief being sought on June 4 (and outlined below) is precipitated as a result of and by the following facts: (i) the anticipated relief being sought by Terrapin claiming certain priority to the Graybriar funds and the Receiver's view that Terrapin does not have such priority and/or claim; (ii) Arres holding the only registered mortgage against the Graybriar lands and the Receiver's corresponding view that the Graybriar funds are considered Exigible Property pursuant to the Amended and Restated Receivership Order (the "Receivership Order") and subject to the Receiver's Charge; and (iii) allowing the Receiver to administer the estate pursuant to the Receivership Order and distribute the Graybriar funds back to the Graybriar mortgage investors and any proven Graybriar creditors in an expeditious and efficient manner, subject to further Court approval.

The Receiver understands that the Graybriar funds has been subject to a significant priority and entitlement dispute for several years now and the funds continue to be held in court and by Bishop and Mackenzie. The Receiver believes that it has been put in place by the Court and given its duties and powers pursuant to the Receivership Order to administer the property of Arres (as an independent court officer) for the sole benefit of various investors and creditors. As a result, the relief being sought by the Receiver on the June 4 application is as follows:

1. Confirmation that the Receiver's Charge applies to the Graybriar funds;
2. Direction that all of the Graybriar funds be released to and held by the Receiver (with authority to make payment of amounts due on the Receiver's Charge);
3. A claims process that is limited to claims against the Graybriar funds so as to (a) quantify the claims of the Graybriar investors and (b) identify and resolve any competing third-party claims to the Graybriar funds. Upon resolution of claims, the Receiver will seek separate authorization to disburse the Graybriar funds as directed by the court;
4. Direction that the \$235,000 currently held in Court File No. 1201-16440 be disbursed to the Receiver and associated confirmation that it is also subject to the Receiver's Charge.

As it pertains to the Graybriar funds (being points (1) – (3) above), the Receiver is of the view is that the Graybriar funds are trust property for the benefit of the Graybriar mortgage investors subject only to the Receiver's Charge, pursuant to the Receivership Order. This position is based on the Receiver's review of various information including but not limited to the Arres mortgage against the Graybriar lands and the terms of the agreements between Arres and the Graybriar investors. The Receiver understands that Terrapin claims an equitable mortgage against the Graybriar lands and, by extension, the Graybriar funds arising by way of advances made by Terrapin to its counter-party borrower 1798582 Alberta Ltd. The Receiver has reviewed information pertaining to the advances and considered various authorities on this issue. In particular, the Receiver has noted the comments of the Ontario Court of Appeal in Re Elias Markets Ltd at para. 69 (a copy of the decision is attached for ease of reference) and does not believe that the alleged equitable mortgage could rank in priority to the previously registered Arres legal mortgage. Given the anticipated shortfall that will be suffered by the Graybriar investors the Receiver views this authority as being substantially determinative of the issue of entitlement to the Graybriar funds. If any of the parties are aware of additional relevant facts and / or authority pertaining to this issue can you please provide them to us and the Receiver would be pleased to consider same.

As it pertains to the funds in court (being point (4) above), the Receiver understands that Terrapin advanced the \$235,000 to its counter-party borrower (1798582 Alberta Ltd.), the borrower advanced the funds to Arres and Arres deposited the funds into Court for the purposes of staying the operation of a court order pending appeal. The Receiver's view that these funds form part of the estate is informed by the terms of the stay order and the decision of the Court of Queen's Bench of Alberta in Stone Sapphire and, in particular, the comments at para. 34 thereof. A copy of the decision is attached. Once again, if any of the parties are aware of additional relevant facts and / or authority can you please provide them to us and the Receiver would be pleased to consider same.

The Receiver requests that all parties obtain instructions from their respective clients as to their position the relief that will be sought by the Receiver. Given that the relief will not result in the immediate release of funds to persons other than the Receiver and is designed to allow for funds to flow to properly entitled third-party creditors, it is hoped that your clients will consent to and / or otherwise not oppose the relief being sought. In particular, claims of priority to the Graybriar funds by (a) certain investors on account funding litigation against Arres to preserve assets and (b) Terrapin on account of its advances made by it to 1798582 Alberta Ltd. will both be determined in the claims process and will include the opportunity to dispute any initial determination that is made in respect of a particular claim.

If we are not able to secure such consent and / or non-opposition we will consider a scheduling application to make the application as efficient as possible. Accordingly, please provide your position on the above at your earliest opportunity.

Regards,



Walker MacLeod

Partner | Associé

Bankruptcy and Restructuring | Faillite et restructuration

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Please, think of the environment before printing this message.



TAB 18

TRUST AGREEMENT
GRAYBRIAR GREENS INC. – PHASE 2

Made this 2nd day of November, 2007:

BETWEEN:

ARRES CAPITAL INC.
 (hereinafter referred to as the "Trustee")

and

MONA &/OR MOHINDER THAKUR
 (hereinafter referred to as the "Investor")

DATE July 25/18 EXHIBIT NO. 1
 EXAM. OF W. SERRA
Gayle Thert
 EXAMINER CSR (A)
Amicus Reporting Group

WHEREAS:

- A. The meaning of certain capitalized words and phrases used in this Agreement are defined in Article I hereof;
- B. The Trustee is a mortgage broker licensed and registered in accordance with the *Real Estate Act* (Alberta);
- C. The Trustee has entered into a Commitment Letter with the Borrower to lend the Borrower the Loan Amount to be secured primarily against the title to the Borrower's Lands;
- D. The Investor desires to participate in the loan on the terms and conditions contained in this Agreement to the extent of the Investor's Proportionate Share being **\$100,000.00**;
- E. The Parties have agreed that the Loan Security shall be held in the name of the Trustee and the Proportionate Share of the Loan shall be administered and held by the Trustee acting as bare trustee for the Investor;
- F. The Investor has agreed with the Trustee that the Trustee shall be entitled to deduct placement and administration fees from the proceeds of the Loan and the Investor's net rate of return on his Proportionate Share of the Loan is set out in the Loan Summary;

NOW THEREFORE:

Article 1
DEFINITIONS

- 1.1 **"Agreement"** means this Agreement and any amendment thereto;
- 1.2 **"Borrower"** means GRAYBRIAR GREENS INC.;
- 1.3 **"Commitment Letter"** means that letter agreement entered into between the Trustee and the Borrower to grant the Loan dated August 10, 2007, a copy of which is attached hereto as Schedule A;

- 1.4 **"Lands"** means those lands and premises described in the Land Schedule annexed hereto;
- 1.5 **"Loan"** means the Loan Amount advanced or to be advanced to the Borrower by the Investor on the terms subject to the conditions set out in the Commitment Letter and includes, without limitation, all principal, interest, fees, expenses, charges and all other amounts owing by the Borrower from time to time to the Investor pursuant to the Commitment Letter and also includes the Loan Security;
- 1.6 **"Loan Amount"** shall mean the sum of NINE MILLION SEVEN HUNDRED THOUSAND (\$9,700,000.00) in Canadian currency;
- 1.7 **"Loan Security"** shall mean any mortgage, charge, pledge, lien, hypothec, encumbrance, conditional sale, title retention agreement, assignment, general security agreement, guarantee or other security interest whatsoever, and shall include that security listed the Commitment Letter;
- 1.8 **"Loan Summary"** means the structure of the loan and return to the Investor on the Investor's Proportionate Share of the Loan as contained in Schedule "B" to this Agreement;
- 1.9 **"Other Investors"** shall mean those parties additional to the Investor who agree to participate in the Loan on the same terms as those herein;
- 1.10 **"Proportionate Share"** shall mean the undivided ownership interest of the in the Loan, expressed as a percentage, equal to the fraction having as its numerator the total principal advanced by the Investor, from time to time, pursuant to this Agreement and having as its denomination the total principal of the Loan advanced, from time to time, to the Borrower;
- 1.11 **"Schedules"** The following schedules shall be deemed for all purposes to comprise and form part of this Agreement:
- | | |
|-----------------|-------------------|
| Land Schedule - | Lands |
| Schedule "A" - | Commitment Letter |
| Schedule "B" - | Loan Summary |

Article 2 – Loan Acquisition and Participation

- 2.1 **Acquisition of Loan** The Trustee shall be responsible for the acquisition and processing of the Loan including, without limitation, the following:
- (a) acquiring, assembling, recording and processing all the necessary information, data, applications, forms and reports in connection with the Loan;
 - (b) retaining solicitors to perform and carry out instructions and requirements necessary to complete the Loan including, without limitation, all requisite searches, preparing and attending upon the execution and delivery of the Loan Security and attending to all necessary registrations and filings as may be required to ensure the perfection and the priority of the Loan Security, subject only to such encumbrances and other qualifications specifically permitted by the Commitment Letter or by the Investor in writing;
 - (c) ensuring that the Borrower has made satisfactory arrangements for insurance as is required by the Commitment Letter and the Loan Security; and

- (d) if a requirement for the Loan, obtaining copies of Real Property Reports and specifications in respect of the improvements being constructed on the Lands and verifying that the completion of construction is in accordance with the plans and specifications provided to the Investor by the Borrower and as contemplated by the Commitment Letter.

2.2 Interest in the Loan

Upon the Investor delivering to the Trustee advances in accordance with Article 3.1, the Investor shall have a beneficial interest in the Loan to the extent of its Proportionate Share in the Loan. Interest shall be paid to the Investor at the rate of 15% per annum.

Total Interest to be paid by the borrower is to be 15% per annum, (being 15% per annum to the Investor and 0.00% per annum to the Trustee for administration and loan servicing.

2.3 Acknowledgment of Other Investors and Endorsement of Loan Security

All loan documents shall be taken, held and registered only in the name of the Trustee and the Trustee shall hold the same at all times as bare trustee for the Investor and other Investors as to their respective Proportionate Shares. The Investor recognizes and agrees that the Trustee may be participating in the Loan as an Investor.

2.4 Non-Interference

The Investor covenants and agrees with the Trustee that it will not act, or deal with its Proportionate Share in the Loan and the Loan Security in such a manner as to prejudice or reduce the rights of the Trustee of any Other Investor or the Loan Security, and further covenants and agrees to maintain this Agreement in full force and effect as it relates to the Loan as long as the Loan is owned in part by the Investor.

2.5 Further Documents

The Trustee shall, at the request of the Investor, execute and deliver such further assignment, transfer, conveyance, assurance, document or instrument which may be reasonably required by the Investor to evidence the Proportionate Share of the Investor in the Loan, provided only that such further assignment, transfer, conveyance, assurance, document or instrument shall not impair the Trustee.

2.6 Acknowledgements

The Lender will, at the request and expense of the Investor, execute and deliver from time to time such additional acknowledgements as the Investor may reasonably require to confirm the Investor's beneficial ownership of its Proportionate Share including all profits and losses.

Article 3 - Advances

3.1 Advanced Generally

Upon request from the Trustee, the Investor shall remit by bank draft to the Trustee, or as the Trustee may otherwise direct in writing, an amount equal to its Proportionate Share of any portion of the Loan to be advanced to the Borrower pursuant to the Commitment Letter.

3.2 Interest on Advances

Funds will be requested by the trustee from the investor. When the investors certified cheque or bank draft payable to the law firm is brought to the trustee, or in cases of RSP money, when the trustee advances the funds, prior to noon in both cases, interest will start accruing. If funds are received after noon, interest will start the following banking day. In the event of a BC mortgage, interest will start one banking day after receipt of the bank draft payable to the law firm being received in the Trustee's office.

3.3 No Obligation to Advance

Other than in its capacity as a participating investor, the Trustee shall not be required to advance its own funds for any purpose.

3.4 Advanced To Preserve or Enforce Loan Security

The Investor acknowledges and agrees that excess advances may be required from it from time to time in the event of the Borrower's default to preserve or recover the Loan in the same ratio as its Proportionate Share.

3.5 Failure to Advance

The Investor acknowledges and agrees that its failure to advance funds pursuant to Article 3.1 may result in the Trustee being unable to fund the loan as required by the Commitment Letter and thereby may be subject to damages. In addition to any other provisions to this Agreement, the Investor hereby indemnifies the Trustee and the Other Investors for any losses, expenses, costs, suits or liabilities that may be incurred as a result of the Investor's failure to advance its Proportionate Share of the Loan under this Agreement. In addition to any other rights or remedies that the Other Investors may have, any amounts owing under this Agreement to the defaulting Investor shall be set off against the amount owing under such indemnity.

Article 4 Administration of the Loan

4.1 Servicing of the Loan

The Trustee shall administer and service the Loan on the terms and subject to the conditions to this Agreement.

4.2 Acting in Good Faith

The Trustee shall administer the Loan and the Loan Security on behalf of the Investor and the Other Investors, and shall exercise its powers and discharge its duties hereunder honestly, in good faith and in the best collective interest of the Investor and the Other Investors and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent lender would exercise in comparable circumstances.

4.3 Maintain Accounts

The Trustee agrees with the Investor to maintain proper records and accounts showing all receipts, payments and disbursements in respect of the Loan, all according to generally accepted accounting principals, and the Trustee agrees with the Investor that such books as they relate to the Investor shall be open to the Investor on reasonable request.

4.4 Periodic Accounting

The Trustee shall provide an accounting of the Loan and the interest earned thereon to the Investor, and shall do so by the provision to the Investor of a report showing the payments received by the Trustee from the Borrower pursuant to the Loan.

4.5 Periodic Payment

The Trustee shall on a monthly basis, remit to the Investor all amounts received by the Trustee on account of the Investor's Proportionate Share including interest payable thereon at the rate set out in the Loan Summary, less any expenses or disbursements properly payable to the Trustee by the Investor with regard to the Loan.

4.6 Specific Authorization to Discharge

The Investor hereby specifically authorizes the Trustee to grant partial discharges of the Loan Security when required under the terms of the Commitment Letter.

4.7 Collection of Debts Due

The Trustee shall make reasonable efforts to collect all payments on account of the Loan and to cause the Borrower and guarantors, if any, to perform their obligations under the Loan Security.

4.8 Retain Experts

The Trustee shall retain, when necessary, solicitors or other professional advisors to protect and enforce the Investor's rights and interests against the Borrower. Prior to such expenditures, the Trustee will endeavor, but is not obligated, to notify and obtain the agreement of the Investor of its intention to make the expenditure. Regardless of such prior approval by the Investor, the Trustee will endeavor to collect such costs incurred or advances made ("**Costs**") from The Borrower but, in all events, the Investor shall pay to the Trustee, and shall indemnify the Trustee for, the Investor's Proportionate Share of the Costs, such payment to be made within five (5) business days of demand by the Trustee. Interest at the Loan rate shall be payable by the Investor on all such sums commencing Five (5) business days from demand by the Trustee.

4.9 Reimbursement of Expenses

The Investor covenants and agrees that it is responsible for expenses and liabilities incurred by the Trustee in the administration of the Loan on a *pro rata* basis according to the Investor's Proportionate Share of the Loan.

4.10 Security for Trustee's Costs

As security for the due and punctual payment and performance of all obligations of the Investor to the Trustee including, without limitation, the payment of all monetary obligations of the Investor, the Investor hereby grants the Trustee a security interest, charge and lien over and in respect of the Investor's Proportionate Share in the Loan and Loan Security. The Investor further grants the Trustee the right to set off, deduct and withhold from any monies payable to the Investor the Investor the full amount of all monies, costs, expenses, or indemnified amounts and all interest thereon which is owed or is accruing due by the Investor to the Trustee or which the Trustee considers should be reserved as security for costs or amounts which the Trustee anticipates will be incurred or become due acting reasonably.

Article 5 Warranties or Representations

5.1 No Warranties or Representations Notwithstanding that the Loan may have been presented by the Trustee to the Investor for the Investor's consideration, the Trustee makes no warranty or representation with respect to the Investment and shall not be responsible for the

observance or performance of any of the terms, covenants, conditions or obligations of the Borrower pursuant to the Commitment Letter or the Loan Security and the Investor acknowledges that it has made its own decision to participate in the Investment without any inducement from or reliance upon the Trustee. The Trustee further makes no warranty or representation as to the financial viability of the Borrower or any guarantor nor to the due execution, legality, validity, enforceability, genuineness or sufficiency of the Loan Security.

5.2 Reliance on Information and Advice Subject to the Trustee upholding the standard of care provided for in article 4.2 hereof, the Trustee shall incur no liability under or with respect to this Agreement, the Commitment Letter, the Investment or the Loan Security by acting in good faith or by refraining, in good faith, from acting upon: (a) any notice, consent, certificate or other instrument or writing (sent by letter, telephone, telegram, cable, telex, facsimile or otherwise) believed by the Trustee to be genuine and signed or sent by the proper party or parties; (b) any representation or warranty made by the Borrower, the Guarantors, or any of them under the Commitment Letter or the Loan Security or in connection therewith; and (c) any advice solicited by or given to the Trustee by experts retained by the Trustee.

Article 6 Investing through RRSP

6.1 The Investor acknowledges and agrees that if it is investing through an RRSP it is required to have its RRSP administer the loan on its behalf. As such the names of the RRSP administrator will show on the Loan Security and payments will be made by the Trustee to such RRSP administrators. To the extent that such loans are already administered by the RRSP administrator, then the Trustee is not acting on behalf of the Investor. Such Investors are, however, subject to the remaining terms of this Agreement.

Article 7 Compensation for the Trustee

7.1 The Investor acknowledges and agrees that the Trustee may be compensated for its brokerage of the Loan by payment to it by the Borrower of a brokerage fee. The Trustee shall be compensated for its administration of the Loan.

Article 8 Disposition of Interest

8.1 Disposal of Percentage in Loan

If, at the time of renewal, the Investor desires to sell or dispose of its Proportionate Share in a Loan, the Investor shall forthwith deliver to the Trustee notice in writing of its intention to sell or dispose. Upon receipt of the said notice, the Trustee shall have a period of Fifteen (15) days within which to acquire, on his own behalf or as agent for an new Other Investor, the Investor's Proportionate Share in the Loan, after which time the Investor shall be at liberty to sell its Proportionate Share in the Loan to a third party purchaser or an existing Other Investor, in which event the Investor shall, before transferring his interest the Loan, obtain and deliver to the Trustee confirmation by the purchaser, in form acceptable to the Trustee, that the purchaser is bound to the terms of this Agreement. In the event that the Trustee incurs any extra-ordinary expense in assisting the Investor in any of the activities outlined herein, such extra-ordinary expense shall be borne by the Investor. In the event that the Investor's interest cannot be sold or disposed of, the Investor must retain his Proportionate Share in the Loan until maturity of the term of the Loan.

8.2 Purchase Right

Both the Trustee and the Investor agree to act in good faith and to act reasonably in attempting to resolve any disagreement regarding the Loan. In the event of disagreement between the Trustee and the Investor with respect to the administration of the Loan which they are unable to resolve, the Trustee shall have the right, but not the obligation, to purchase all but not less than all of the Investor's Proportionate Share in the Loan upon written notice to the Investor and payment to the

Investor of his Proportionate Share of the outstanding principal amount of the Loan and all accrued but unpaid interest on such principal calculated at the rate in the Loan Summary to the date of payment to the Investor. The Investor hereby irrevocably appoints the Trustee as his irrevocable attorney for the purpose of executing and delivering all deeds, instruments, transfers, and agreements necessary or desirable to complete and perfect any sale as aforesaid.

Article 9 Indemnification of the Trustee and the Other Investors

9.1 Indemnity

To the extent of its Proportionate Share, the Investor hereby agrees to indemnify, save and hold harmless the Trustee and Other Investors from and against any and all legal actions or law suits of any nature and kind with respect to or arising out of the processing, administration and servicing of the Loan or in otherwise fulfilling its obligations, duties and responsibilities set out in this Agreement and any costs, expenses or disbursements incurred in connection therewith, save and except where any such legal action or law suit results from the failure of the Trustee to fulfil and satisfy the terms and conditions of this Agreement including, without limitation, failure of the Trustee to uphold the standard of care or from the fraud, gross negligence or wilful misconduct of the Lender or its agents or employees. The obligation of the Investor to so indemnify and save harmless shall only survive the termination of this Agreement if the cause of action upon which such legal action or law suit is based, arose prior to the termination of the Investor's interest in the Loan under this Agreement.

Article 10 Acknowledgement of Participation of the Trustee

10.1 The Investor hereby acknowledges that the Trustee, or its principals may purchase with its own funds and own as an Other Investor, a Proportionate Share in the Loan. The Trustee shall not, however, be obligated to purchase or maintain a Proportionate Share in the Loan.

Article 11 Termination

11.1 Termination of the Role of the Trustee

The role of the Trustee in servicing and administering the Loan on behalf of the Investor may be terminated upon the Investor giving notice to that effect in writing to the Trustee only upon the happening of any of the following events:

- (a) If any proceedings in insolvency, bankruptcy, receivership or liquidation is taken against the Trustee;
- (b) The Trustee makes any assignment for the benefit of its creditors or commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act (Canada)*;
- (c) If the Trustee assigns or purports to assign this Agreement or any of its rights hereunder without the prior written consent of the Investor;
- (d) If the Trust commits a breach or default under this Agreement, which is not remedied within Fifteen (15) days after written notice of such breach has been received by the Trustee from the Investor

Upon such termination, the Investor shall be entitled to request and receive from the Trustee a transfer of title to the Investor of the Investor's Proportionate Interest in the Loan and, for such purposes, the Trustee provides the Investor with its irrevocable Power of Attorney for such purposes.

11.2 Termination of the Investor

The interest of the Investor in the Investment may be terminated by the Trustee upon notice in writing to the Investor only upon the happening of any of the following events:

- (a) if any proceedings in insolvency, bankruptcy, receivership or liquidation be taken against the Investor;
- (b) if the Investor makes any assignment for the benefit of its creditors or commits any act of bankruptcy within the meaning of the Bankruptcy Act;
- (c) except as expressly permitted hereby, if the Investor assigns or purports to assign its Proportionate Share or any of its rights under this Agreement;
- (e) if the Investor commits a breach or default under this Agreement, which is not remedied within fifteen (15) days after written notice has been received by the Investor.

11.3 Postponement After Termination

In addition to any other rights that the Trustee may have, In the event that the interest of the Investor in the Investment is terminated, all amounts that have been advanced by the Investor on account of the Loan prior to the date of termination shall be postponed in favour of, and shall rank subordinate to, all amounts advanced by the Other Investors subsequent to such termination on account of the Loan.

11.4 Termination Generally

This Agreement shall remain in full force and effect until the Loan and any other amounts expressed to be owing to the Trustee under the Loan Security have been paid in full and the Loan Security has been reassigned or discharged or shall have been realized upon and the proceeds or realization shall have been distributed among the Investor and Other Investors in accordance with this Agreement.

Article 12 Notices

12.1 Addresses for Notices

All notices to be given under this Agreement shall be deemed to have been duly given if mailed by registered mail to the addresses, or sent by facsimile transmission to the fax numbers, as follows:

To the Trustee:

Arres Capital Incorporated
#1002, 1520 – 4th Street S.W.
Calgary, Alberta T2P 3C8
Fax (403) 264-9954

To the Investor:

Investor: **Mona &/or Mohinder Thakur**
Address: **24 Royal Oak Cape NW**
Calgary, Alberta T3G 0A5

Article 13 Additional Provisions

13.1 Liability of the Trustee

Notwithstanding anything contained in this Agreement or any Loan documentation, the Trustee shall not be liable to the Investor for any losses or damages incurred by the Investor in respect of any Loan save and except for any loss or damage caused directly by the gross negligence or willful misconduct of the Trustee or its officers, agents or employees

13.2 Time

Time shall be of the essence in this Agreement.

13.3 Governing Law and Jurisdiction

This Agreement shall be governed by the law of the Province of Alberta and the parties hereto hereby irrevocably attorn to that jurisdiction.

13.4 Further Acts

The parties hereto agree that they shall do all further things and take all further steps, including the execution of further documents that may be required to carry out and give effect to this Agreement.

13.5 Entire Agreement

This Agreement is the entire agreement between the parties and supersedes and replaces any prior written or oral agreement that may have been made between the parties.

13.6 Severability

In the event that any part of this Agreement shall be determined to be null, void or of no effect, that part of this Agreement shall be severed herefrom and the balance of this Agreement shall continue in full force and effect.

13.7 Amendments

This agreement may only be amended by an agreement in writing duly executed by each of the parties hereto.

13.8 Assignment

Except as may be otherwise permitted herein, neither party to this Agreement may assign its interest to another party without the prior written consent of the other party, such consent not to be unreasonably withheld.

13.9 Real Estate Act

Without in any way limiting or derogating from its obligations or responsibilities under this Agreement, the Trustee in fulfilling its obligations and responsibilities with respect to the administration of the Loan and the Loan Security will at all times comply with the provisions of the *Real Estate Act (Alberta)*, as amended, replaced or substituted from time to time.

13.10 Relationship

Neither the execution of this Agreement, nor the sharing of the Loan nor any agreement to share in profits or losses arising as a result of this transaction is intended to be nor shall it be construed to be the formation of a partnership or joint venture between the Trustee and the Investor or Other Investors.

13.11 Counterparts

This document may be executed in counterparts, each of which executed counterpart shall be deemed to be an original and such counterparts together shall constitute one and the same document, and notwithstanding different dates of execution, shall be deemed to have been executed on the same date, being the later of the dates of execution of such counterparts.

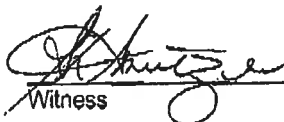
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ARRES CAPITAL INC.

Per:  (c/s)

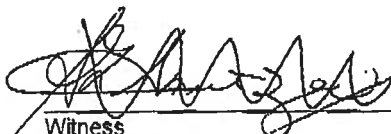
MONA THAKUR

Per: _____ (c/s)


Witness

MOHINDER THAKUR

Per: _____ (c/s)


Witness

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2018/01/09
Time of Search: 09:59 AM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 28280008
Customer Reference Number: 213575-498357

Corporate Access Number: 206899353
Legal Entity Name: ARRES CAPITAL INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 1996/05/28 YYYY/MM/DD
Date of Last Status Change: 2013/10/23 YYYY/MM/DD

Registered Office:

Street: C/O PELLETIER LAW, #3300, 205 - 5 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Records Address:

Street: C/O PELLETIER LAW, #3300, 205 - 5 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Directors:

Last Name: SERRA
First Name: WESLEY
Street/Box Number: 126 SPRING VALLEY WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 5H1

DATE July 25/18 EXHIBIT NO. 2
EXAM. OF W. Serra
Gayle Short
EXAMINER CSR (A)
Amicus Reporting Group

Voting Shareholders:

Legal Entity Name: ARRES HOLDINGS INC.
Corporate Access Number: 2014816629
Street: C/O PELLETIER LAW, #3300, 205 - 5 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7
Percent Of Voting Shares: 100

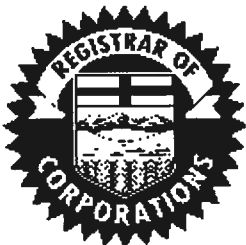
Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2017	2017/09/20

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/09/03	Status Changed to Start for Failure to File Annual Returns
2015/05/22	Change Address
2017/09/20	Enter Annual Returns for Alberta and Extra-Provincial Corp.

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



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2018/01/09
Time of Search: 09:58 AM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 28279987
Customer Reference Number: 213575-498357

Corporate Access Number: 2014816629
Legal Entity Name: ARRES HOLDINGS INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2009/07/24 YYYY/MM/DD
Date of Last Status Change: 2014/09/12 YYYY/MM/DD

Registered Office:

Street: C/O PELLETIER LITIGATION, 3300, 205 - 5 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Records Address:

Street: C/O PELLETIER LITIGATION, 3300, 205 - 5 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Directors:

Last Name: SERRA
First Name: WES
Street/Box Number: 126 SPRING VALLEY WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 5H1

DATE July 25/18 EXAM. NO. 3
EXAM. OF W. Serra
Guyle Sker
EXAMINER CSR (A)
Amicus Reporting Group

Voting Shareholders:

Last Name: SERRA
First Name: WESLEY
Street: 126 SPRING VALLEY WAY SW
City: CALGARY
Province: ALBERTA
Postal Code: T3H 5H1
Percent Of Voting Shares: 100

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: THE ANNEXED SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.
Share Transfers Restrictions: THE ANNEXED SCHEDULE "B" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE.
Business Restricted From: NONE.
Other Provisions: THE ANNEXED SCHEDULE "C" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Holding Shares In:

Legal Entity Name
ARRES CAPITAL INC.
ARRES MANAGEMENT INC.
1494166 ALBERTA LTD.
1740247 ALBERTA LTD.

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)

2017/2017/07/31

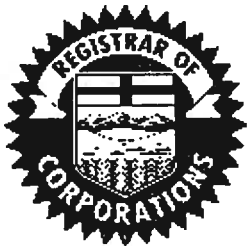
Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2009/07/24	Incorporate Alberta Corporation
2009/12/08	Name/Structure Change Alberta Corporation
2014/09/02	Status Changed to Start for Failure to File Annual Returns
2015/03/30	Change Address
2017/07/31	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<u>Share Structure</u>	ELECTRONIC	2009/07/24
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2009/07/24
<u>Other Rules or Provisions</u>	ELECTRONIC	2009/07/24
<u>Shares in Series</u>	ELECTRONIC	2009/12/08

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



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2017/10/11
Time of Search: 02:38 PM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 27821595
Customer Reference Number: 213575-498357

Corporate Access Number: 208758920
Legal Entity Name: 875892 ALBERTA LTD.
Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2000/04/17 YYYY/MM/DD

Registered Office:

Street: C/O PELLETIER LAW, #3300, 205 - 5 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Records Address:

Street: C/O PELLETIER LAW, #3300, 205 - 5 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 2V7

Directors:

Last Name: SERRA
First Name: STACIA
Street/Box Number: 1324 - 11 AVENUE SW, SUITE 204
City: CALGARY
Province: ALBERTA
Postal Code: T3C 0M6

DATE July 25/18 EXHIBIT NO. 4
EXAM. OF W. Serra
W. Serra
EXAMINER CSR (A)
Amicus Reporting Group

Voting Shareholders:

Last Name: SERRA
First Name: STACIA
Street: 1324 - 11 AVENUE SW, SUITE 204
City: CALGARY
Province: ALBERTA
Postal Code: T3C 0M6
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO AND FORMING PART HEREOF.

Share Transfers Restrictions: NO SHARES OF THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE SANCTION OF A MAJORITY OF THE DIRECTORS OF THE CORPORATION, AS EVIDENCED BY A RESOLUTION IN WRITING OF THE DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 10

Business Restricted To: NO RESTRICTIONS

Business Restricted From: NO RESTRICTIONS

Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO AND FORMING PART HEREOF.

Holding Shares In:

Legal Entity Name
GRAYWOOD TERRACE DEVELOPMENT INC.
COPPERTREE MORTGAGE INC.
1740247 ALBERTA LTD.
1798582 ALBERTA LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/04/26

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2000/04/17	Incorporate Alberta Corporation
2011/11/15	Change Director / Shareholder
2015/03/30	Change Address
2017/04/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2000/04/17
Other Rules or Provisions	ELECTRONIC	2000/04/17

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





Industry Canada

Industrie Canada

Office of the Superintendent
of Bankruptcy CanadaBureau du surintendant
des faillites Canada

District of ALBERTA

Division No. 02 - Calgary

Court No. 25-094802

Estate No. 25-094802

In the Matter of the Bankruptcy of:
Arres Capital Inc.

Debtor

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

ORDINARY ADMINISTRATION

Security: \$0

Date of Bankruptcy: July 26, 2017

Meeting of Creditors: August 16, 2017, 10:00
Bow Valley Square I
250 6 Avenue S.W. - Suite 1110
Calgary, ALBERTA

Chair: Trustee

Designated Person: Wesley Serra

CERTIFICATE OF FILING OF A BANKRUPTCY ORDER - Section 43

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

- the aforementioned trustee, filed for my endorsement, a bankruptcy order appointing the trustee under section 43(9) of the Bankruptcy and Insolvency Act, Trustee of the Estate of the aforementioned Debtor;
- provisions for the avoidance of certain settlements and preferences where applicable, begin before the initial bankruptcy event date and end on the date of bankruptcy, both dates included.

The designated person is required:

- to perform all duties imposed upon a bankrupt by the Bankruptcy and Insolvency Act and in particular, attend the first meeting of creditors and upon request appear before the Official Receiver for examination.

The said trustee is required:

- to serve upon the designated person, a copy of the bankruptcy order bearing the Official Receiver's endorsement and where applicable a notice of examination;
- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable to call in the prescribed manner, a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the Official Receiver.

TAMARA HOLLAND

Date: August 4, 2017

Official Receiver

Standard Life Tower, 639 5 Avenue SW, Suite 400, Calgary, ALBERTA, T2P 0M9,
877/376-9902

Canada

EXHIBIT NO. 5
JULY 25/18
EXAM. OF W. Serra
Gayle Serra
EXAMINER CSR (A)
Amicus Reporting Group

Personal Property Registry
Search Results Report

Page 1 of 5

Search ID#: Z09859229

Transmitting Party

MCCARTHY TETRAULT LLP

4000, 421 - 7th AVENUE SW
CALGARY, AB T2P 4K9

Party Code: 50087121

Phone #: 403 260 3500

Reference #: 213575-498357

Search ID #: Z09859229

Date of Search: 2018-Jan-09

Time of Search: 09:56:25

Business Debtor Search For:

ARRES CAPITAL INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.

July 25/18 EXHIBIT NO. 6
EXAM. OF W. Serra
Gayle Thore
EXAMINER CSR (A)
Ancient Reporting Group



**Personal Property Registry
Search Results Report**

Page 2 of 5

Search ID#: Z09859229

Business Debtor Search For:

ARRES CAPITAL INC.

Search ID #: Z09859229

Date of Search: 2018-Jan-09

Time of Search: 09:56:25

Registration Number: 14092940054

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2014-Sep-29

Registration Status: Current

Expiry Date: 2018-Sep-08 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 1101-03481

Judgment Date is 2013-May-24

This Writ was issued on 2013-Nov-29

Type of Judgment is Other

Original Judgment Amount: \$1,028,879.99

Costs Are: \$15,478.54

Post Judgment Interest: \$0.00

Current Amount Owing: \$1,044,358.53

Exact Match on: Debtor

No: 1

Amendments to Registration

14102809337

Amendment

2014-Oct-28

16090814564

Renewal

2016-Sep-08

Solicitor / Agent
 BRIAN E. SILVER
 #201, 10836-24TH STREET SE
 CALGARY, AB T2Z 4C9

Phone #: 403 723 7300

Fax #: 403 236 3882

Reference #: 9652

Debtor(s)**Block**

1

Status

Current

Search ID#: Z09859229

ARRES CAPITAL INC.
#204, 1324-11TH AVENUE SW
CALGARY, AB T3C 0M6

Creditor(s)**Block****Status**

1 ACCESS MORTGAGE CORPORATION (2004) LTD.
#230, 6125-11TH STREET SE
CALGARY, AB T2H 2L6

Current

Particulars**Block** **Additional Information****Status**

1 SCHEDULE "A"
FORM 14-STATUTORY DECLARATION-FINANCIAL STATEMENT
OF DEBTOR (CORPORATE DEBTOR)

Current By
14102809337

PROJECT	TOTAL RECEIVABLE
CHATEAU:	\$1,021,497.45
CM MILLET:	\$260,036.44
COPPER OAKS MILLET:	\$209,830.24
DOCKMAN:	\$997,397.65
GRAYBRIAR GREENS 2:	\$1,027,057.95
JERVIS:	\$980,171.38
KOELLER:	\$1,371,883.69
STRATHMORE:	\$3,407,606.98
TIMBERCREEK:	\$425,235.22

TOTAL: \$9,700,717.00

NOTE 1: ALL AMOUNTS CALCULATED WITH INTEREST TO
SEPTEMBER 30, 2014

NOTE 2: ALL AMOUNTS DUE PURSUANT AND SUBJECT TO
TRUST AGREEMENTS/MORTGAGE ADMINISTRATION AGREEMENTS
BETWEEN ARRES CAPITAL INC. AND EACH OF THE VARIOUS
INVESTORS IN EACH PROJECT.

**Personal Property Registry
Search Results Report**

Page 4 of 5

Search ID#: Z09859229

Business Debtor Search For:

ARRES CAPITAL INC.

Search ID #: Z09859229

Date of Search: 2018-Jan-09

Time of Search: 09:56:25

Registration Number: 14100310598

Registration Type: REPORT OF SEIZURE

Registration Date: 2014-Oct-03

Registration Status: Current

Registration Term: Infinity

Service Area 2

Property has been seized under Writ of Enforcement Registration Number 14092940054.

Property was seized on 2014-Oct-02

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2014-Oct-02	14100310598	\$0.00

Exact Match on: Debtor

No: 1

Solicitor / Agent

WARREN BENSON AMANTEA LLP
1413 - 2ND STREET SW
CALGARY, AB T2R 0W7

Phone #: 403 228 8392

Fax #: 403 244 1948

Reference #: 14-0295

Civil Enforcement Agent

CONSOLIDATED CIVIL ENFORCEMENT INC.
200, 807 MANNING ROAD NE
CALGARY, AB T2E 7M8

Phone #: 403 262 8800

Fax #: 403 262 8801

Debtor(s)**Block**

1

Status

Current



Personal Property Registry Search Results Report

Page 5 of 5

Search ID#: Z09859229

ARRES CAPITAL INC.
#204, 1324-11TH AVENUE SW
CALGARY, AB T3C 0M6

Creditor(s)

Block

Status

1	ACCESS MORTGAGE CORPORATION (2004) LTD. #230, 6125-11TH STREET SE CALGARY, AB T2H 2L6	Current
---	---	---------

Collateral: General

Block

Description

Status

1	1 - Circular board room table	Current
2	3 - Black high back leather chair	Current
3	1 - Black high back cloth chair	Current
4	1 - Black four door lateral cabinet	Current
5	1 - Small Open grey stand on wheels	Current
6	1 - artificial plant	Current
7	2 - pieces framed art work - Campbell (back)	Current
8	1 - Staples shreadder black s/n T01211300165	Current
9	Additional items have been seized. Refer to Civil Enforcement Agency file for a complete listing.	Current

Particulars

Block

Additional Information

Status

1	For a complete listing of seized goods as contained in the Notice of Seizure of Personal Property, contact our offices. Seized goods were left on site. Our File: 77919-WE-2C	Current
---	---	---------

Result Complete

This is Exhibit "G"
to the affidavit of David Murphy sworn
before me this 12th day of June, 2017

R. Comstock
.....
A Commissioner for Oaths/Notary Public
in and for the Province of Alberta

Richard Comstock
My Commission Expires September 21, 2018

DATE July 25/18 EXHIBIT NO. 7
EXAM. OF W. Serra
Gayle Sher
EXAMINER CSR (A)
Amicus Reporting Group

THIS IS EXHIBIT " D " referred to in the Affidavit of

Form 14
Statutory Declaration

Financial Statement of Debtor
(Corporate Debtor)

Sworn before me this 14th
day of November A.D. 2014

COMMISSIONER FOR OATHS

File Number

In accordance with section 35.10 of the *Civil Enforcement Regulation*, the Corporation must, within 15 days of being served with this form, provide the completed form to the enforcement creditor.

BRIAN E. SILVER
Barrister and Solicitor

A. Debtor Information (Please Print)

I, ARRES CAPITAL INC
Full Name of Deponent

of 204 1324 11 AVE SW 403 261 9555
Address of Deponent Telephone Number of Deponent

am the President of ARRES CAPITAL INC
Position with Corporate Debtor Name of Corporate Debtor

of 204 1324 11 AVE SW 403 261 9955
Address of Corporate Debtor Telephone Number of Corporate Debtor

and I solemnly declare that the contents of this document are true and accurate.

B. Assets

Real Estate

List all real estate (homes, rental properties, cottages, condominiums, etc.) both within and outside the Province of Alberta in which the corporation owns an interest, including municipal address, legal description, purchase price, balance owing and current market value.

	Municipal Address	Legal Description	Purchase Price	Balance Owing	Current Market Value
1.	<u>NA</u>				
2.					
3.					

List the name and address of any mortgagee for each property described above, as well as the date the mortgage was granted and the amount outstanding on the mortgage.

	Name of Mortgagee	Address of Mortgagee	Date of Mortgage Granted	Amount Outstanding on Mortgage
1.	<u>NA</u>			
2.				
3.				

Motor Vehicles

List all motor vehicles, including cars, trucks, farm machinery, construction equipment, recreational vehicles, aircraft, etc. in which the Corporation owns an interest.

	Type - Make - Model - Year	Serial No.	Purchase Price	Current Market Value
1.	NA			
2.				
3.				

If any of the above vehicles are subject to any liens or encumbrance, specify.

	Holder of Lien or Encumbrance	Date of Lien or Encumbrance	Balance Owning on Lien or Encumbrance
1.	NA		
2.			
3.			

List all fixtures, equipment and inventory.

	Type - Make - Model - Year	Serial Number, if Applicable	Purchase Price	Current Market Value
1.	NA			
2.				
3.				

Bank Accounts

List all deposit accounts, term deposits, annuities, etc., specifying the following:

	Type of Deposit	Name of Institution	Account No.	Branch Address	Amount
1.	Checking	BoFM	25159-1068898	OXY branch	Ø
2.					
3.					

Also, specify whether there are any conditions attached to redemption of the account, and, if applicable, any expiry dates.

	Conditions Attached to Redemption	Expiry Date, if Applicable
1.	N/A	
2.		
3.		

Receivables and Ongoing Contracts

List all receivables and ongoing contracts.

	Name	Address	Amount Owning
1.			
2.			
3.			

SEE ATTACHED schedule 'A'

Shares and Securities

If the corporation has holdings in a corporation, complete the following:

List all shares, options, warrants, etc., and their current market value.

	Name of Corporation	Type	Number	Current Market Value	Dividends Payable (If any)	Date Payable
1.	NA					
2.						
3.						

List all bonds and debentures held and their current market value.

	Name of Issuer	Class or Series	Quantity Held	Total Market Value
1.	N/A			
2.				
3.				

List location of all certificates for all corporate holdings and their respective name(s) and address(es).

	Location of Security Certificates or Other Evidence of Ownership of Securities	Name and Address of Broker(s)
1.	N/A	
2.		
3.		

Trust Properties

List all properties or interests held by a Trustee on the Corporation's behalf.

	Description of Assets Held	Location of Assets	Name and Address of Trustee
1.	NA		
2.			
3.			

Other Assets

List all other assets, specifying kind, value and location, and whether solely or jointly owned.

Type of Asset	Description	Sole Owner		Location	Value
		Yes	No		
Interest in other businesses	NA				
Promissory notes, judgment debts	NA				
Loans and mortgages receivable	NA				

List all other assets, specifying kind, value and location, and whether solely or jointly owned (e.g. art, jewellery, bullion).

Description of Asset	Sole Owner		Location	Value
	Yes	No		
NA				

C. Transfer of Property

Has the corporation given away, sold, assigned or otherwise transferred any property (land, buildings, vehicles, money, equipment, inventory, etc.) outside the ordinary course of business within the past year? Specify details below.

Description of Property	To Whom Transferred	Date of Transfer	How Much Money, if Any, Was Recovered By the Corporation?
NA			

D. Insurance

List all insurance policies in which the corporation is named beneficiary, including the insurance company granting the policy, the policy number, the amount, the person insured, the premium and its cash surrender value.

Insurance Company	Policy No.	Amount	Person Insured	Premium	Cash Surrender Value
WA					

E. Additional Income and Assets

List all income and assets not itemized above (legal action claims under insurance policies, etc.).

NA

Wes Serra - Director

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at Calgary

Alberta, on Monday, October 20, 2014

[Signature]
A Commissioner for Oaths/Notary Public
in and for the Province of Alberta

Ryan P. Pelletier

Print Name and Expiry Date

SCHEDULE "A"
FORM 14 – STATUTORY DECLARATION – FINANCIAL STATEMENT OF DEBTOR (CORPORATE DEBTOR)

<u>Project</u>	<u>Total Receivable</u>
Chateau:	\$1,021,497.45
CM Millet:	\$260,036.44
Copper Oaks Millet:	\$209,830.24
Dockman:	\$997,397.65
Graybriar Greens 2:	\$1,027,057.95
Jervis:	\$980,171.38
Koeller:	\$1,371,883.69
Strathmore:	\$3,407,606.98
Timbercreek:	\$425,235.22
TOTAL:	\$9,700,717.00

Note 1: All amounts calculated with interest to September 30, 2014

Note 2: All amounts due pursuant and subject to Trust Agreements/Mortgage Administration Agreements between Arres Capital Inc. and each of the various Investors in each project.