

COURT FILE NUMBER Q.B. 1195 of 2020

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT BTA REAL ESTATE GROUP INC.

RESPONDENT FAMILY FITNESS INC.

IN THE MATTER OF THE RECEIVERSHIP
OF FAMILY FITNESS INC.

AFFIDAVIT OF FAZAL ANWAR

I, Fazal Anwar, of the City of Saskatoon, Saskatchewan, MAKE OATH AND SAY AS FOLLOWS THAT:

1. I am a Director of BTA Real Estate Group Inc. ("**BTA**"), and in that capacity I have authority to direct and administer all matters in regard to Family Fitness Inc. (the "**Debtor**") and, as such, I have personal knowledge of the facts and matters herein deposed to, except where stated to be on information and belief, and where so stated I believe the same to be true.

Background to BTA

2. BTA was incorporated under the laws of Saskatchewan on November 18, 2011, and carries on business as a real estate holding company and lessor of real property in Saskatchewan.

Background to the Debtor and its Business Operations

3. Family Fitness Inc. was incorporated under the laws of Saskatchewan on July 1, 2013. Attached and marked as Exhibit "**A**" to my affidavit is a true copy of the Profile Report search result for the Debtor obtained from the Corporate Registry for Saskatchewan on October 7, 2020. I have determined from my review of Exhibit "**A**", and I believe it to be true that, as of October 7, 2020:

- a) Said Kaiss ("**Mr. Kaiss**") is the sole director and officer of the Debtor;
- b) Mr. Kaiss holds 100% of the Debtor's issued common voting shares; and
- c) the following persons hold non-voting shares issued by the Debtor: Mr. Kaiss,

Hala Kaiss, Majida Kaiss, Reem Smolley, Samar Talih Kays, Talal Kays and Wassim Kaiss.

4. The Debtor operates gym and fitness facilities under the business name "Evolution Fitness Gym." Attached and marked as Exhibit "**B**" to my affidavit is a true copy of the Corporate Profile search result for the business name "Evolution Fitness Gym" obtained from the Corporate Registry for Saskatchewan on October 7, 2020. I have determined from my review of Exhibit "B", and I believe it to be true, that the Debtor is listed as the sole proprietor of Evolution Fitness Gym and that the status of the business name registration is listed as "Inactive (Expired)".

5. I have determined from my review of the website of the Debtor located at <https://evolutionfitness.ca/locations-hours/> that Evolution Fitness Gym operates gyms and fitness facilities from four locations at Regina, Saskatchewan. Particularly, the website of the Debtor lists the following four locations operating under the Evolution Fitness Gym business name:

- a) EVOLUTION FITNESS MCCARTHY (the "**North Gym**")
358 McCarthy Boulevard North
Regina, Saskatchewan S4R 7M2
- b) EVOLUTION FITNESS PASQUA (the "**South Gym**")
3615 Pasqua Street
Regina, Saskatchewan S4S 6W8
- c) EVOLUTION FITNESS QUANCE (the "**East Gym**")
2121 East Quance Street
Regina, Saskatchewan S4V 3L9
- d) EVOLUTION FITNESS SCARTH (the "**Downtown Gym**")
1846 Scarth Street
Regina, Saskatchewan S4P 2G3

The BTA Lease, the Security, the Indemnity and the Additional Security

6. BTA is the legal owner of real property located within the City of Regina, legally described as Surface Parcel #153983076, Reference Land Description Blk/Par F No 101859914 Extension 0 (the "**BTA Land**"). Attached and marked as Exhibit "**C**" to my affidavit is a true copy of the Certificate of Title for the BTA Land obtained from the Land Titles Registry for Saskatchewan on October 8, 2020. The civic address of the BTA Land is that of the East Gym listed by the Debtor on its website, which East Gym operates from the premises located on the BTA Land.

7. BTA, as landlord, entered into a commercial lease agreement to lease to the Debtor, as tenant, the BTA Land, on or about August 30, 2013. Attached and marked as Exhibit “**D**” to my affidavit is a true copy of the August 30, 2013, lease agreement (the “**BTA Lease**”). The express terms of the BTA Lease provided that BTA and the Debtor specifically agreed to enter into a “net lease” agreement, whereunder the Debtor would be responsible for all, or substantially all, of the costs associated with the use and enjoyment of the BTA Land pursuant to the BTA Lease.
8. The Debtor specifically agreed that all amounts payable to BTA pursuant to the BTA Lease would be treated as rent (the “**Rent**”), and that interest would accrue on all Rent arrears at a rate of 18% *per annum* immediately following the date that such Rent came due and owing to BTA.
9. As a condition of entry into the BTA Lease, the Debtor granted to BTA a security interest over all of its present and after-acquired property to secure the performance of all future obligations, indebtedness and other liabilities owing by the Debtor to BTA under the BTA Lease (the “**Security**”). Attached and marked as Exhibit “**E**” to my affidavit is a true copy of a General Security Agreement between BTA and the Debtor, wherein the Debtor granted the Security to BTA and expressly agreed to grant BTA the right to appoint a receiver and manager over the present and after-acquired property of the Debtor upon default under the BTA Lease and/or the Security.
10. On October 7, 2013, BTA registered a security interest in all of the present and after-acquired personal property of the Debtor in the Saskatchewan Personal Property Security Registry. Attached and marked as Exhibit “**F**” to my affidavit is true copy of a Saskatchewan Personal Property Registry search result for the Debtor, dated October 7, 2020, evidencing registration of the Security in favour of BTA.
11. In addition to the Security, BTA required Mr. Kaiss, in his personal capacity as the principal of the Debtor, to execute and deliver an indemnity dated September 26, 2013 (the “**Indemnity**”) to BTA as a condition of BTA's entry into the BTA Lease. Pursuant to the Indemnity, Mr. Kaiss expressly agreed to be bound to the performance of the whole of the obligations of the Debtor to BTA. As security for the Indemnity, and as a further condition of entry into the BTA Lease, Mr. Kaiss granted to BTA a security interest in all of his present and after-acquired property (the “**Additional Security**”) to secure the performance of his present and future obligations owing to BTA. Attached and marked collectively as Exhibit “**G**” to my affidavit are true copies of the Indemnity and a general security agreement, dated September 26, 2013, between Mr. Kaiss and

BTA whereby Mr. Kaiss granted to BTA the Additional Security.

Efforts of BTA to Assist the Debtor to Establish and Maintain Its Business

12. From the outset, BTA expended significant efforts to assist the Debtor to launch and build its business in the leased premises, with a view to ensuring a long-term tenancy for the mutual benefit of the Debtor and BTA. Examples of the various indulgences and accommodations extended by BTA to the Debtor include, without limitation:

- a) a Rent abatement at the outset of the BTA Lease in the approximate amount of \$110,000.00 to permit the Debtor to accumulate working capital for operations;
- b) the provision by BTA to the Debtor in 2015 of the aggregate amount of approximately \$1.36M for tenant improvements; and
- c) the exercising by BTA of extraordinary patience over a protracted period of time leading up to the entry into the May 2019 Forbearance Agreement and the June 2019 Forbearance Agreement during which the Debtor offered BTA only partial payments and made repeated promises to address Rent arrears that were not fulfilled.

Initial Default and Forbearance Agreements

13. On or about August 1, 2017, the Debtor defaulted on its Rent obligations owing to BTA, and has continued to be in arrears since that date.

14. On May 7, 2019, counsel for BTA, Mike Russell, sent formal written demand letters (the “**Demands**”) to the Debtor and Mr. Kaiss, as guarantor, demanding payment of the Rent arrears owing to BTA, which were \$645,116.86 as at the date of the Demands. The Demands enclosed Notices of Intention to Enforce a Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the “**Notices**”). Attached and marked collectively as Exhibit “**H**” of my Affidavit are true copies of the Demands and Notices.

15. The Debtor and Mr. Kaiss failed, neglected and/or refused to pay the amount of the Rent arrears notwithstanding service of the Demands and Notices.

16. In an effort to assist the Debtor in the restructuring of its financial affairs and to maximize the chances of long-term success of the Debtor, BTA agreed to enter into a forbearance

agreement with the Debtor and Mr. Kaiss on May 16, 2019 (the “**May 2019 Forbearance Agreement**”). The conditions of the May 2019 Forbearance Agreement included the payment of full Rent in the future, and the entry into negotiations to obtain financial disclosure from the Debtor and determine the amount of arrears payable by the Debtor to BTA and the terms upon which such arrears would be paid. Attached and marked as Exhibit “I” to my affidavit is a true copy of the May 2019 Forbearance Agreement. The term of the May 2019 Forbearance Agreement expired at the close of June 15, 2019.

17. On or about June 15, 2019, BTA, the Debtor and Mr. Kaiss entered into a second forbearance agreement (the “**June 2019 Forbearance Agreement**”). Attached and marked as Exhibit “J” to my affidavit is a true copy of the June 2019 Forbearance Agreement together with schedules thereto. Therein, the Debtor and Mr. Kaiss acknowledged that Rent arrears at that time stood at \$649,924.40. To secure BTA’s continued forbearance from enforcement against the Security and the Additional Security, the Debtor and Mr. Kaiss agreed, without limitation, that:

- a) the Debtor would resume payment of Rent in the ordinary course in accordance with the terms of the BTA Lease beginning on June 1, 2019;
- b) the Debtor would pay down the Rent arrears in monthly instalments;
- c) the whole of all amounts owing to BTA by the Debtor under the BTA Lease, the Security, the Indemnity and the Additional Security would become due and payable five days following notice by BTA to the Debtor and Mr. Kaiss that the June 2019 Forbearance Agreement was terminated due to one or more event(s) of default; and
- d) the Debtor would provide BTA with a consent receivership order (the “**Consent Receivership Order**”), upon which BTA would be entitled to rely, in the event of termination of the June 2019 Forbearance Agreement, for an application to the Court of Queen’s Bench in the Judicial District of Saskatoon for the appointment of a receiver over the property of the Debtor.

18. The Debtor and Mr. Kaiss executed and delivered to BTA the Consent Receivership Order and a Certificate of Independent Legal Advice, both of which are appended to the June 2019 Forbearance Agreement.

Default of the Debtor Under the June 2019 Forbearance Agreement and Termination of the June 2019 Forbearance Agreement

19. In April of 2020, the Debtor again defaulted on its obligation to pay monthly instalments of past Rent arrears to BTA. In particular, the Debtor has paid nothing to BTA since April of 2020, apart from property taxes and operating costs for the month of August. The Debtor also neglected to provide certain financial reporting when requested by BTA. In response, on September 4, 2020, counsel to BTA, Mr. Russell, sent to the former solicitors of the Debtor and Mr. Kaiss a letter notifying them of the default by the Debtor on its obligations to pay monthly Rent arrears instalments and failure to comply with financial reporting obligations owing to BTA, and giving the requisite five days' notice of termination of the June 2019 Forbearance Agreement (the "**Default Notice**"). Attached and marked as Exhibit "**K**" to my affidavit is a true copy of the Default Notice.

20. As of the date of my affidavit, the amount of the indebtedness owing to BTA by the Debtor and Mr. Kaiss is \$1,032,067.07, plus legal and enforcement costs and interest upon all such amounts pursuant, among other things, to the terms of the 2019 June Forbearance Agreement (the "**Indebtedness**").

21. Attached and marked as Exhibit "**L**" to my affidavit are the financial statements for the Debtor for 2019 and 2020, the latter being a draft financial statement (collectively, the "**Financial Statements**"). I have determined from my review of the 2020 Financial Statement that, notwithstanding the failure, refusal and neglect of the Debtor to address the Indebtedness, the Debtor paid dividends in 2020 in the amount of \$27,000.00.

Insolvency of the Debtor

Failure of the Debtor to Pay the Indebtedness

22. As discussed in detail above, the entire amount of the Indebtedness is presently due to BTA from the Debtor and Mr. Kaiss, and the Debtor has refused, neglected and failed to pay such Indebtedness to BTA.

23. The most recent payment defaults in 2020 are just further evidence of a systematic pattern of non-payment and non-performance by the Debtor under the BTA Lease, the whole of which evinces a patent disregard for the rights of BTA as landlord and a willingness to reap benefits

from the Evolution Fitness Gym business (e.g., the payment of dividends and the drawing of a salary by Mr. Kaiss) at the expense of BTA.

24. Mr. Kaiss has recently made statements to me which further support my conclusions in the preceding paragraph to the effect that: a) FFI was moving money to other accounts so that creditors and landlords couldn't come after the money; and b) FFI would not be paying back the Rent arrears (i.e., the Indebtedness) under any circumstances and such payment is "off the table". Mr. Kaiss has also repeatedly indicated that any arrangement with BTA in regard to re-entry into a forbearance arrangement without significant reduction to or elimination of the Indemnity is a "non-starter".

25. Attached and marked as Exhibit "M" to my affidavit is an email from Mr. Kaiss to BTA dated September 9, 2020, in response to a proposal by BTA as to new forbearance terms (which content has been removed in case it is "without prejudice") in which he evinces a complete unwillingness to attempt to resolve the matters described herein, including, among other things, stating that:

- a) "this is an outrageous offer that only an idiot would even think about accepting";
- b) "If you're serious about working out a reasonable deal let me know, otherwise finish this back and forth bullshit and bankrupt us!"; and
- c) "We've had enough of this garbage!".

Failure to Pay Other Landlord

26. Mr. Kaiss has told me, and I believe it to be true, that the Debtor is also in arrears with the landlord of the South Gym.

The Financial Statements Disclose that the Aggregate of the Property of the Debtor, if Liquidated, Would Not Be Sufficient to Pay the Obligations Due and Accruing Due

27. I have determined from my review of the Financial Statements, and I believe it to be true, that the Debtor has been operating at a loss in the 2019 and 2020 years and, further, that such Financial Statements disclose that the aggregate property of the Debtor, if liquidated, would not be sufficient to pay the obligations of the Debtor due and accruing due, including the Indebtedness.

Conclusion Regarding Insolvency of the Debtor

28. For the reasons set forth in the preceding paragraph, I believe that the Debtor is insolvent and:

- a) has ceased to meet its liabilities as they become due;
- b) has ceased paying current obligations in the ordinary course of business as they generally become due; and
- c) has insufficient assets of value, upon liquidation, to satisfy all obligations due and accruing due.

Further Rationale for Seeking the Appointment of a Receiver

29. In my role as a Director of BTA, I have expended best efforts to work with the Debtor to accomplish reach an amicable and workable resolution to the matters discussed herein. Unfortunately, the Debtor has nullified my efforts due to its systematic lack of cooperation and refusal to make any significant concession, apart from the relatively short period of time that the Forbearance Agreements were in place.

30. Having exhausted all possible efforts to work with the Debtor, BTA has determined that it is necessary and appropriate to appoint a receiver. The rationale for the application by BTA to appoint a receiver over the property of the Debtor is as follows:

- e) in the estimation of BTA, the appointment of a receiver is critical for the preservation of its Security;
- f) having exhausted its efforts to work cooperatively with the Debtor, BTA regards the only just and convenient solution available to it in the circumstances as the appointment of a receiver;
- g) BTA wishes to preserve the opportunity for the business of the Debtor to be sold as a going concern, as piecemeal realization on the assets of the Debtor would likely lead to the overall failure of the business;
- h) for all of the reasons herein, BTA has determined that it is appropriate and necessary to exercise its right to appoint a receiver;

- i) the facts described above, in the estimation of BTA, make it abundantly clear that BTA will continue to encounter difficulty with the Debtor in regard to repayment of the Indebtedness, future Rent and the enforcement of its rights under the Security; and
- j) in the estimation of BTA, the appointment of a receiver will ensure the most orderly and cost-effective resolution for all stakeholders, and the returns to such stakeholders, with recourse to cost-allocation between the various secured creditors, if and where applicable or appropriate.

Conclusion

31. Based on all of the foregoing, I believe it to be true that:

- a) the Debtor is insolvent;
- b) the Debtor is unable or unwilling to make reasonable efforts to repay the Indebtedness or otherwise address the issues described herein; and
- c) the Security of BTA is in jeopardy and will be placed in further jeopardy with each day that passes without the appointment of a receiver.

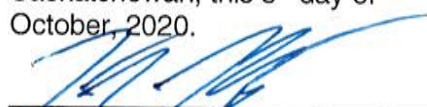
32. For all of the reasons outlined herein, BTA believes that an order appointing a receiver is just, equitable, necessary and appropriate.

33. Alvarez & Marsal Canada Inc. is a licensed insolvency trustee and has consented to being appointed as receiver of the property of the Debtor, a copy of which consent will be filed in support of this application by BTA.

[Space Intentionally Left Blank]

34. I make this affidavit in support of an application by BTA for an order appointing Alvarez & Marsal Canada Inc. as receiver of the Debtor, all as more particularly described in the application herein.

SWORN BEFORE ME at Saskatoon,
Saskatchewan, this 8th day of
October, 2020.



A NOTARY PUBLIC - or -
COMMISSIONER FOR OATHS
in and for the Province of Saskatchewan.
(My commission expires _____
or Being a Solicitor.)



FAZAL ANWAR

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:
Name of lawyer in charge of file:
Address of legal firms:

The W Law Group LLP
Mike Russell and Kevin Hoy
Suite 300, 110 – 21st Street East
Saskatoon, Saskatchewan
S7K 0B6

Telephone number:
E-mail address:

(306) 244-2242
mrussell@wlawgroup.com / khoy@wlawgroup.com

This is Exhibit "A" referred to in the
Affidavit of Fazal Anwar.

Sworn before me this 8th day of
October, 2020.

A handwritten signature in blue ink, appearing to be "J. H. M.", is written over a horizontal line.

A commissioner for Oaths for
Saskatchewan My Commission

expires

-OR- Being a Solicitor



Profile Report

Entity Number: 101235811

Page 1 of 3

Entity Name: FAMILY FITNESS INC.

Report Date: 07-Oct-2020

Entity Details

Entity Type	Business Corporation
Entity Subtype	Saskatchewan Corporation
Entity Status	Active
Amalgamation Date	01-Jul-2013
Annual Return Due Date	31-Aug-2021
Nature of Business	Fitness and recreational sports centres
Amalgamated From	101073506 - FAMILY FITNESS INC. 101126261 - SKJ FITNESS INC.
MRAS indicator	No

Registered Office/Mailing Address

Physical Address	1500, 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9
Attention To	MLT AIKINS LLP
Mailing Address	FAMILY FITNESS INC., 1500, 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9
Attention To	C/O MLT AIKINS LLP

Directors/Officers

SAID KAISS (Officer)

Physical Address:	1001-1914 HAMILTON ST, REGINA, Saskatchewan, Canada, S4P 3N6	Office Held:	SECRETARY AND CHIEF OPERATING OFFICER
Mailing Address:	1001-1914 HAMILTON ST, REGINA, Saskatchewan, Canada, S4P 3N6	Effective Date:	08-Aug-2013

SAID KAISS (Director)

Physical Address:	1001-1914 HAMILTON ST, REGINA, Saskatchewan, Canada, S4P 3N6	Resident Canadian:	Yes
Mailing Address:	1001-1914 HAMILTON ST, REGINA, Saskatchewan, Canada, S4P 3N6	Effective Date:	01-Jul-2013

Profile Report

Entity Number: 101235811

Page 2 of 3

Entity Name: FAMILY FITNESS INC.

Report Date: 07-Oct-2020

Shareholders

Shareholder Name	Mailing Address	Share Class	Shares Held
HALA KAISS	11152 - 30 AVE., EDMONTON, AB, CANADA, T6J3X9	F COM	244
MAJIDA KAISS	11152 - 30 AVE., EDMONTON, AB, CANADA, T6J3X9	B COM	438
REEM SMOLLEY	11152 - 30 AVE., EDMONTON, AB, CANADA, T6J3X9	E COM	244
SAID KAISS	2 DISCOVERY RIDGE LINK SW, CALGARY, AB, CANADA, T3H0L4	C COM	6,737
SAID KAISS	2 DISCOVERY RIDGE LINK SW, CALGARY, AB, CANADA, T3H0L4	H COM	10,000
SAMAR TALIH KAYS	11152 - 30 AVE., EDMONTON, AB, CANADA, T6J3X9	I COM	244
TALAL KAYS	2051 HILLIARD PL., EDMONTON, AB, CANADA, T6R3P5	D COM	1,363
WASSIM KAISS	11152 - 30 AVE., EDMONTON, AB, CANADA, T6J3X9	G COM	730

Articles

Minimum Number of Directors: 1 Maximum Number of Directors: 7

Share Structure:

Class Name	Voting Rights	Authorized Number	Number Issued
A COM	Yes	Unlimited	
B COM	No	Unlimited	438
C COM	No	Unlimited	6,737
D COM	No	Unlimited	1,363
E COM	No	Unlimited	244
F COM	No	Unlimited	244
G COM	No	Unlimited	730
H COM	Yes	Unlimited	10,000
I COM	No	Unlimited	244
J PRE	Yes	Unlimited	
K PRE	No	Unlimited	

Event History



Profile Report

Page 3 of 3

Report Date: 07-Oct-2020

Entity Number: 101235811

Entity Name: FAMILY FITNESS INC.

Type	Date
Business Corporation - Annual Return	11-Aug-2020
Business Corporation - Annual Return	12-Aug-2019
Business Corporation - Annual Return	29-Aug-2018
Notice of Change of Directors/Officers - Power of Attorney	29-Aug-2018
Business Corporation - Annual Return	01-Aug-2017
Resignation of Director	22-Jun-2017
Nature of Business	13-Feb-2017
Notice of Change of Directors/Officers	31-Aug-2016
Business Corporation - Annual Return	30-Aug-2016
General Information	10-Sep-2015
Notice of Change of Directors/Officers	08-Sep-2015
Business Corporation - Annual Return	31-Aug-2015
Business Corporation - Annual Return	29-Aug-2014
Notice of Change of Registered Office/Mailing Address	08-Aug-2013
Notice of Change of Directors/Officers	08-Aug-2013
Notice of Shareholders	08-Aug-2013
Business Corporation - Amalgamation	01-Jul-2013

This is Exhibit "B" referred to in the
Affidavit of Fazal Anwar.

Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires

-OR- Being a Solicitor



Profile Report

Entity Number: 102014524

Page 1 of 1

Entity Name: EVOLUTION FITNESS GYM

Report Date: 07-Oct-2020

Entity Details

Entity Type	Business Name
Entity Subtype	Saskatchewan Business Name - Sole Proprietor
Entity Status	Inactive (Expired)
Registration Date	06-Feb-2017
Expiry Date	29-Feb-2020
Nature of Business	Fitness and recreational sports centres

Business Address/Mailing Address

Physical Address	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9
Mailing Address	EVOLUTION FITNESS GYM, 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Proprietor/Partners/General Partner(s)

(101235811) FAMILY FITNESS INC.

Physical Address:	1500, 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9
Mailing Address:	FAMILY FITNESS INC., 1500, 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9
Effective Date:	06-Feb-2017

Event History

Type	Date
Business Name - Register Business Name	06-Feb-2017

This is Exhibit "C" referred to in the
Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



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Province of Saskatchewan Land Titles Registry Title

Title #: 141519832
Title Status: Active
Parcel Type: Surface
Parcel Value: \$2,925,000.00 CAD
Title Value: \$2,925,000.00 CAD
Converted Title: 97R58087C
Previous Title and/or Abstract #: 128682456

As of: 08 Oct 2020 09:25:39
Last Amendment Date: 13 Jun 2018 14:18:42.283
Issued: 01 Dec 2011 09:17:28.833
Municipality: CITY OF REGINA

BTA REAL ESTATE GROUP INC. is the registered owner of Surface Parcel #153983076

Reference Land Description: Blk/Par F Plan No 101859914 Extension 0

This title is subject to any registered interests set out below and the exceptions, reservations and interests mentioned in section 14 of *The Land Titles Act, 2000*.

Registered Interests:

Interest #:
157143551

SaskEnergy Act Easement
 (s.19)

Value: N/A
Reg'd: 21 Aug 2006 15:53:40
Interest Register Amendment Date: 20 Mar 2007 09:19:25
Interest Assignment Date: N/A
Interest Scheduled Expiry Date: N/A
Expiry Date: N/A

SEE UTILITY RIGHT OF WAY FEATURE PLAN 101900540
Holder:
 SASKENERGY INCORPORATED
 700 - 1777 Victoria Avenue
 Regina, Saskatchewan, Canada S4P 4K5
Client #: 105200693

Int. Register #: 111140277

Interest #:
164699634

Mortgage

Value: \$9,270,000.00 CAD
Reg'd: 30 Oct 2013 15:12:07
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Interest Scheduled Expiry Date: N/A
Expiry Date: N/A

Holder:
 Business Development Bank of Canada
 Suite 200, One Bentall Centre PO Box 6, 505 Burrard Street
 Vancouver, British Columbia, Canada V7X 1M3
Client #: 104272769

Int. Register #: 119559662

Interest #:
164699645

Assignment of Rents

Value: N/A
Reg'd: 30 Oct 2013 15:12:07
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Interest Scheduled Expiry Date: N/A
Expiry Date: N/A

Holder:

Business Development Bank of Canada
Suite 200, One Bentall Centre PO Box 6, 505 Burrard Street
Vancouver, British Columbia, Canada V7X 1M3
Client #: 104272769

Int. Register #: 119559673

Interest #:
165026077

Miscellaneous Interest

Value: \$1,500,000.00 CAD
Reg'd: 02 Dec 2013 09:27:14
Interest Register Amendment Date: N/A
Interest Assignment Date: N/A
Interest Scheduled Expiry Date: N/A
Expiry Date: N/A

Holder:

CHAUDARY POULTRY FARM LTD.
c/o Burlingham Cuelenaere Legal Prof. Corp. 1043 8th Street East
Saskatoon, SK, Canada S7H 0S2
Client #: 129226798

Int. Register #: 119633249

Interest #:
169455022

Joint Use Utility Easement

Value: N/A
Reg'd: 03 Dec 2014 08:47:36
Interest Register Amendment Date: 08 Apr 2015 10:08:31
Interest Assignment Date: N/A
Interest Scheduled Expiry Date: N/A
Expiry Date: N/A

Holder as Tenant in Common

Interest Share: 1/2
Interest Share Number: 180269343
Holder:
SASKATCHEWAN POWER CORPORATION
2025 VICTORIA AVE
REGINA, SK, Canada S4P 0S1
Client #: 100307618

Holder as Tenant in Common

Interest Share: 1/2
Interest Share Number: 180269354
Holder:
Saskatchewan Telecommunications
13th Floor, 2121 Saskatchewan Drive
Regina, Saskatchewan, Canada S4P 3Y2
Client #: 100006861

Int. Register #: 120508433
Feature #: 100268805

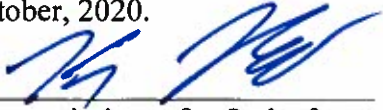
Addresses for Service:

Name	Address
Owner: BTA REAL ESTATE GROUP INC.	200-450 2ND AVE N SASKATOON, Saskatchewan, Canada S7K 2C3
Client #: 126904170	
<u>Notes:</u> Parcel Class Code: Parcel (Generic)	



Back to top

This is Exhibit "D" referred to in
the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.

A handwritten signature in blue ink, appearing to be "M. J. [unclear]", written over a horizontal line.

A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

2101 Quance Street East, Regina SK

L E A S E

BTA REAL ESTATE GROUP INC.

Landlord

– and –

Family Fitness Inc.

(carrying on business as [Gold's Gym Regina])

Tenant







Tenant	Landlord
	

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SCHEDULE “F” – GENERAL SECURITY AGREEMENT GRANTED BY TENANT

SCHEDULE “G” – INDEMNITY AGREEMENT

Tenant	Landlord
	

LEASE

Dated August 30, 2013

BTA REAL ESTATE GROUP INC.

And

Family Fitness Inc.

(carrying on business as [Gold's Gym Regina])

Term Sheet of Principal Lease Terms

- A. Gross Floor Area of the Building: (49,655.50) square feet approximate**
- B. Gross Floor Area of the Leased Premises: 30,300 square feet, subject to Section 2.2.**



C. Principal Components of Rent:

- 1. Minimum Rent:** The Tenant shall pay Minimum Rent plus GST in respect of each Year of the Term referred to in the table below, in the amount per square foot per annum set out in the table opposite such period. This amount corresponds to annual and monthly payments during each such period in the amounts set out in the table, based upon a Gross Floor Area of the Leased Premises as set out in paragraph B of this Term Sheet and subject to adjustment to reflect any adjustment of the Gross Floor Area of the Leased Premises under Section 2.2.

Year of the Term	Minimum Rent Per Square Foot Per annum	Monthly Minimum Rent	Annual Minimum Rent
Years 1-5	\$22.00	\$55,550.00	\$666,600.00
Years 6-10	\$ 24.00	\$60,600.00	\$727,200.00
Years 11-15	\$ 26.00	\$65,650.00	\$787,800.00
Years 16-20	\$ 28.00	\$70,700.00	\$848,400.00

- 2. Estimate of Tenant's Operating Costs payment for the first Year of the Term: \$ 2.75 p.s.f.**

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Tenant	Landlord
	

3. **Estimate of Tenant's Taxes payment for the first Year of the Term:** \$5.00-\$6.00 p.s.f.

D. Building: building bearing a civic address of 2101 Quance Street East, Regina, SK.

E. Commencement Date is the date commencing immediately following the expiry of the Fixturing Period.

F. Permitted Use: Health Club or as more specifically described in Section 9.1

G. Leased Premises: Unit #100, situated on 2101 Quance Street East. The Leased Premises are cross-hatched in black on Schedule B annexed hereto.

H. Tenant's Proportionate Share: estimated to be 61 %. such percentage being the ratio which the Gross Floor Area of the Leased Premises bears to the Gross Floor Area of the Building as set out in paragraphs A and B of this Term Sheet, and is subject to adjustments to reflect any adjustment of such gross floor areas under Section 2.2 of the Lease.

I. Schedule of Special Lease Provisions: Schedule "C" to this Lease sets out certain special provisions applicable to the Lease of the Leased Premises by the Tenant.

J. Term: 20 years commencing on the Commencement Date.

K. Prepaid Rent: \$116,655.00 (GST included) dollars (held in trust by the Landlord's solicitors and one half to be released to Landlord on signing and execution of the Lease and one half to be released on completion of the Landlords Work).

L. Notices:

Landlord:

C/o Colliers Real Estate Corp.

1821 Scarth Street, Suite 200 Regina, SK S4P 2G9

Tenant:



Family Fitness Inc.

358 McCarthy Blvd, Regina SK S4R 7M2

Attention: Mr. Skye Kaiss

M. Parking: As contemplated in the proposed site plan attached as Schedule "B" hereto, subject to code, which parking stalls shall not be exclusive to or assigned to any tenant in the Centre.

- v -

Tenant	Landlord
	

THIS LEASE made the 30 day of August, 2013.

BETWEEN:

BTA REAL ESTATE GROUP INC.

(hereinafter called the "Landlord")

OF THE FIRST PART

AND:

Family Fitness Inc.

(carrying on business as [Gold's Gym Regina])

(hereinafter called the "Tenant")

OF THE SECOND PART

ARTICLE 1

DEFINITIONS

The following definitions apply in this Lease, including the Schedules.

1.1 **"Additional Rent"** means all amounts to be paid by the Tenant under this Lease save and except for Minimum Rent.



1.2 **"Affiliate"** means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with that Person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the Power to either (i) elect a majority of the directors of that Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise;

1.3 **"BOMA"** means the Building Owners and Managers Association.

1.4 **"Building"** means the building or buildings on the Lands described in Schedule "A" hereto, as shown on the site plan attached hereto as Schedule "B", and includes, where the context requires, all structures and improvements, expansions, reductions, alterations or additions from time to time erected thereon or associated therewith.

1.5 **"Business Day"** means any day of the week other than a Saturday, Sunday or a day that is a public or statutory holiday in the Province of Saskatchewan.

1.6 **"Centre"** means the shopping centre to be constructed on the Lands such that the Building and Common Areas and Facilities comprise the Centre.

Tenant	Landlord
	

1.7 “**Commencement Date**” means the date immediately following the date on which the Fixturing Period expires.

1.8 “**Common Areas and Facilities**” means those parts of the Building and the Lands which are not leased or designated by the Landlord to be leased to tenants of the Building, including without limitation, all automobile parking areas, driveways, entrances and exits thereto, the truckway or ways and loading docks, pedestrian sidewalks, landscaped areas, exterior stairways, equipment, apparatus, general signs, easements, and common access drives, together with all other areas and facilities which are provided or designated from time to time by the Landlord for the use by or for the benefit of the Landlord and the tenants, of the Centre their employees, customers and other invitees in common with others entitled to the use or benefit of such areas and facilities in the manner and for the purpose permitted by this Lease.



1.9 “**Environmental Laws**” means the statutes, policies, directives, regulations, orders, approvals and other legal requirements of any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises which impose any obligations relating to the protection, conservation or restoration of the natural environment.

1.10 “**Fixturing Period**” shall have the meaning set forth in Section 11.01 of Schedule “C”.

1.11 “**Gross Floor Area of the Leased Premises**” means the gross floor area expressed in square feet of the Leased Premises as certified from time to time by the Landlord’s architect or surveyor calculated by measuring, in accordance with the BOMA standard of measurement for single occupant tenants, from the exterior surfaces of the exterior walls and of all walls adjoining the Common Areas and Facilities, from the centre line of party or demising walls separating two or more interior leasable premises from other areas in the Building where no wall exists, all without deduction or exclusion for any space occupied by or used for columns, stairs, elevators, escalators or other interior construction or equipment or for any storefront or doorway areas recessed from the lease line.

1.12 “**Gross Floor Area of the Building**” means the aggregate of the gross floor area expressed in square feet of all leasable premises of the Building set aside by the Landlord to be leased to tenants of the Building, whether leased or not, as certified from time to time by the Landlord’s architect or surveyor

1.13 “**Hazardous Substance**” shall include without limitation, any solid, liquid, smoke, waste, odour, heat, vibration, radiation or combination thereof which is deemed, classed or found to affect the nature, physical, chemical or biological quality of the environment or which is or is likely to be injurious to the health or safety of persons or which is injurious or damaging to property, plant or animal life, or which interferes with or is likely to interfere with the comfort, livelihood or enjoyment of life by a person, or which is declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Landlord, the Tenant, the Building or the Leased Premises, and without limiting the generality of the foregoing shall include any dangerous, noxious, toxic, flammable or explosive substance, radioactive material, asbestos or PCBs.

Tenant	Landlord
	

1.14 “**Indemnifier**” means a person, firm or corporation, group of persons, firms or corporations, or any combination of them, if any, who has executed or agreed to execute an indemnity agreement in favour of the Landlord in connection with the Tenant’s obligations under this Lease.

1.15 “**Insurable Hazards**” means fire and other perils for which insurance is available and which a reasonably prudent Landlord would obtain in similar circumstances.

1.16 “**Landlord**” means the Owner(s), its respective predecessors, successors and assigns.

1.17 “**Lands**” means the lands legally described in Schedule “A” attached hereto.

1.18 “**Lease Year**” means a twelve (12) month period commencing with the first day of January in one calendar year and ending on the last day of December in that calendar year; provided that the first Lease Year shall commence on the Commencement Date of the Term and end on the last day of December of the calendar year of the Commencement Date of the Term and the last Lease Year shall end on the last day of the Term of this Lease and commence on the first day of January preceding that date. From time to time by written notice delivered to the Tenant, the Landlord may specify an annual date upon which each subsequent Lease Year is to commence, in which event, the then current Lease Year will terminate on the day preceding the day so specified and all appropriate adjustments will be made for any lease year which is more or less than twelve (12) calendar months.

1.19 “**Leasehold Improvements**” have the meaning ascribed to them in Section 17.2(a) hereof.



1.20 “**Leased Premises**” means the leased premises described in Section 2.1.

1.21 “**Management Company**” means a company or other entity, if any, retained by the Landlord from time to time to operate or manage the Building. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Management Company, “Management Company” includes the officers, directors, employees and agents of the Management Company.

1.22 “**Mortgage**” means any mortgage or charge (including a deed of trust and mortgage securing bonds and all indentures supplemental thereto) granted by the Landlord over all or any portion of the Lands.

1.23 “**Mortgagee**” means any mortgagee, lender or trustee for bondholders named in a Mortgage.

1.24 “**Operating Costs**” means the total of all expenses, costs, fees, rentals, disbursements and outlays of every nature and kind incurred, accrued, paid, payable or attributable, whether by or on behalf of the Landlord (without duplication) for operating, maintaining, servicing, repairing, restoring, renewing, improving, equipping, insuring, cleaning, lighting, securing,

Tenant	Landlord
	

policing, supervising, managing and administering the Building and the Lands or any portion thereof in each Lease Year, including, but not limited to those items listed below:

(a) the cost of insuring the Building from time to time in such manner and form, with such companies and such coverage and in such amounts as the Landlord, acting reasonably, or the Mortgagee from time to time determines;

(b) landscaping, cleaning, snow and ice removal, garbage and waste collecting and disposal;

(c) lighting, electricity, public utilities, loud speakers, signage, public address and musical broadcasting systems and any telephone and answering service facilities and systems used in or servicing the Building and the cost of electricity for any signs designated by the Landlord as part of the Building and the Common Areas and Facilities;

(d) policing, securing, supervision and traffic control;

(e) Taxes;

(f) management office expenses of operation, and salaries of all personnel, including management and other supervisory personnel, employed to carry out the maintenance, repair, marketing and operation of the Building and the Common Areas and Facilities, including reasonable fringe benefits and contributions and premiums for unemployment and workers' compensation insurance, pension plan contributions and similar premiums and contributions and severance pay or indemnity, or, where the management office and personnel serve more than one Building, an allocated share of those expenses, salaries and contributions;.



(g) the cost of any equipment and signs and the cost of building supplies used by the Landlord in the maintenance, repair and operation of the Building and the Common Areas and Facilities;

(h) fees incurred in the preparation and auditing of written statements of Operating Costs;

(i) all repairs and replacements to and maintenance and operation of the Building and the Common Areas and Facilities and the systems, facilities and equipment serving the Building and the Common Areas and Facilities, including, without limitation, heating, ventilating, air conditioning and electrical equipment and systems, and the roof, except for the cost of repairing or replacing any inherent structural defects or weaknesses;

(j) depreciation or amortization:

(i) of the costs, including repair and replacement (minor and major), of all maintenance, operating and cleaning equipment and master utility meters from the

Tenant	Landlord
	

earlier of the date that the cost was incurred or the commencement of the Term;
and

(ii) of the costs incurred for repairing or replacing all other fixtures, improvements, equipment and facilities serving or comprising the Building and the Common Areas and Facilities, including the roof, unless they are charged fully in the Lease Year in which they are incurred (in either case in accordance with generally accepted accounting principles as reasonably determined by the Landlord);

(k) amortization of the cost of the installation of capital improvement items. Such costs shall be amortized over the reasonable life of the capital investment items, with the reasonable life and amortization schedule to be determined in accordance with generally accepted accounting principles as reasonably determined by the Landlord;

(l) auditing, accounting, bookkeeping, legal and other professional and consulting fees and disbursements and all costs and expenses not otherwise expressly excluded in this Lease attributable to the maintenance, operation, management, replacement, supervision and administration of the Building;

1.25 “**Owner(s)**” means the owner(s) of the Building, from time to time, its respective successors and assigns.

1.26 “**Person**” means and includes natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, limited liability companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof,



1.27 “**Possession Date**” means the day that the Fixturing Period commences and, subject to 1.01 of Schedule “C”, is anticipated to be the 1st day of August, 2014 but shall be no later than (1) year after the date that an architectural building permit with respect to the Leased Premises is issued by the City of Regina.

1.28 “**Proportionate Share**” means that percentage being the ratio which the Gross Floor Area of the Leased Premises bears to the Gross Floor Area of the Building.

1.29 “**Rent**” means all amounts due from the Tenant, including without limitation, Minimum Rent and Additional Rent.

1.30 “**Schedules**” and “**Appendices**” means the following schedules and appendices which form a part of this Lease:

Schedule “A” – Legal Description
Schedule “B” – Site Plan
Schedule “C” – Special Provisions

Tenant	Landlord
	

- Schedule "D" – Rules and Regulations
- Schedule "E" – Option to Extend Term
- Schedule "F" – General Security Agreement granted by Tenant
- Schedule "G" – Indemnity Agreement

1.31 **"Prepaid Rent"** means the sum paid by the Tenant to the Landlord under Section 3.3 herein.

1.32 **"Taxes"** means the aggregate of all real property, sewer, municipal and other property taxes and rates, whether general or special, of any nature whatsoever, including school and local improvement taxes charged, rated or assessed by any lawful authority against the Building and the Lands, or against the Landlord on account of its ownership thereof or deferred payments and any other taxes, assessments or duties levied, rated, charged or assessed in substitution for or in addition to any of the foregoing, together with the costs of the Landlord in contesting or negotiating the same.

1.33 **"Term"** shall have the meaning ascribed to it in Section 2.3 hereof.

1.34 **"Trade Fixtures"** means the trade fixtures, furniture, machinery and equipment installed or placed upon the Leased Premises by the Tenant in connection with its business but notwithstanding the foregoing, shall not include any Leasehold Improvements, any part of the electrical, plumbing, mechanical, sprinkler, heating, ventilating or air-conditioning equipment or systems, or any floor coverings, wall coverings, or any part of the ceiling, whether installed by the Tenant or the Landlord.



1.35 **"Year of the Term"** means each successive twelve (12) calendar month period (or part thereof) throughout the Term commencing on the Commencement Date.

ARTICLE 2

GRANT

Leased Premises

2.1 Witness that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Leased Premises that are designated as Unit No. #100, now or hereafter to be erected as part of the Building, which Leased Premises will comprise of a Gross Floor Area of approximately **Thirty Thousand Three Hundred (30,300)** square feet. The boundaries and location of the Leased Premises are cross-hatched in black on the site plan of the Centre which is marked as Schedule "B" attached hereto. In addition, the Tenant shall be entitled, for the benefit of the Leased Premises, to use in common with others entitled thereto the Common Areas and Facilities. The Tenant accepts the Leased Premises in "as is, where is" condition. The Tenant possession hereunder and such taking of possession shall

Tenant	Landlord
	

be conclusive evidence as against the Tenant that at that time, the Leased Premises were in good order and satisfactory condition and any promises, representations and undertakings by or binding upon the Landlord with respect to any alteration, remodelling or decorating of or installation of fixtures in the Leased Premises were fully satisfied by the Landlord.

Measurement by Architect

The Gross Floor Area of the Leased Premises and the Gross Floor Area of the Building, calculated in accordance with BOMA measurement standards (Exterior Gross Area) in effect from time to time, shall be certified by the Landlord's architect or surveyor from time to time (which certificate shall be conclusive and binding on the Tenant unless found in error), and if they are different from those specified in this Lease, then the Minimum Rent and the Tenant's Proportionate Share of Taxes and Operating Costs and all other amounts calculated and payable with reference to these areas shall be adjusted and payable in accordance with such certification.

2.2

Term

2.3 The Tenant will have and hold the Leased Premises for the term (the "Term") which, unless sooner terminated, is:



(a) the period (i) commencing on the Commencement Date; and (ii) ending Twenty (20) calendar years after the Commencement Date (unless the Commencement Date is not the first day of a month, in which case the Term shall end Twenty (20) calendar years after the last day in the month in which the Commencement Date occurs). Within a reasonable time after the Commencement Date occurs, the Landlord will confirm the Commencement Date by notice to the Tenant and such confirmed Commencement Date will apply for this Lease.

ARTICLE 3

RENT

Minimum Rent

Year of the Term	Minimum Rent Per Square Foot Per annum	Monthly Minimum Rent	Annual Minimum Rent
Years 1-5	\$22.00	\$55,550.00	\$666,600.00
Years 6-10	\$ 24.00	\$60,600.00	\$727,200.00
Years 11-15	\$ 26.00	\$65,650.00	\$787,800.00

Tenant	Landlord
	

Years 16-20	\$ 28.00	\$70,700.00	\$848,400.00
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3.1 (a) The Tenant will pay to the Landlord or to the Management Company as the Landlord directs, at its head office, or at any other place designated by the Landlord or the Management Company, as the case may be, in Canadian funds, without demand and without deduction, abatement, set-off or compensation, as Minimum Rent the following:

(b) (i) during years 1 through 5 of the Term, the annual sum of Six Hundred Sixty Six Thousand Six Hundred Dollars (\$666,600.00) plus GST payable in equal consecutive monthly instalments of Fifty Five Thousand Five Hundred Fifty Dollars (\$55,550.00) in advance on the first day of each calendar month. The Minimum Rent is based on an annual rate of Twenty Two Dollars (\$22.00) per square foot of the Gross Floor Area of the Leased Premises.



(c) (ii) during years 6 through 10 of the Term, the annual sum of Seven Hundred Twenty Seven Thousand Two Hundred Dollars (\$727,200.00) plus GST payable in equal consecutive monthly instalments of Sixty Thousand Six Hundred Dollars (\$60,600.00) in advance on the first day of each calendar month. The Minimum Rent is based on an annual rate of Twenty Four Dollars (\$24.00) per square foot of the Gross Floor Area of the Leased Premises.

(d) (iii) during years 11 through 15 of the Term, the annual sum of Seven Hundred Eighty Seven Thousand Eight Hundred Dollars (\$787,800.00) plus GST payable in equal consecutive monthly instalments of Sixty Five Thousand Six Hundred Fifty Dollars (\$65,650.00) in advance on the first day of each calendar month. The Minimum Rent is based on an annual rate of Twenty Six Dollars (\$26.00) per square foot of the Gross Floor Area of the Leased Premises.

(e) (iv) during years 16 through 20 of the Term, the annual sum of Eight Hundred Forty Eight Thousand Four Hundred Dollars (\$848,400.00) plus GST payable in equal consecutive monthly instalments of Seventy Thousand Seven Hundred Twenty Dollars (\$70,700.00) in advance on the first day of each calendar month. The Minimum Rent is based on an annual rate of Twenty Eight Dollars (\$28.00) per square foot of the Gross Floor Area of the Leased Premises.

(f) If the Commencement Date is not the first day of a calendar month, the Tenant will pay, on the Commencement Date, Minimum Rent calculated on a per diem basis (based on three hundred and sixty-five (365) calendar days) from the Commencement Date to the end of the month in which it occurs.

3.1.1 The timing of Minimum Rent increases provided for in 3.1(c), (d), and (e) shall be adjusted to take into account Section 1.18 hereof and in the event of a Commencement Date other than the 1st day of January. For greater clarity and for example, if the Commencement

Tenant	Landlord
	

Date is the 1st day of February then the timing of Minimum Rent increases as described shall be extended by one (1) month.

Additional Rent

3.2 The Tenant shall pay as Additional Rent any other money required to be paid by the Tenant under this Lease, whether or not the same be designated as Rent or whether the same be paid to the Landlord or otherwise. If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as rent with the next instalment of Minimum Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

Pre-paid Rent

3.3 The Landlord holds a Pre-Paid Rent deposit equal to \$116,655.00 (GST included) which shall be applied, after the 5-month Fixturing Period has expired, to the Additional Rent owing with respect to the first two (2) months of the Term and any balance remaining thereafter to Minimum Rent, and GST exigible thereon, and/or Additional Rent, subsequently owing hereunder.

Post-Dated Cheques / Pre-Authorized Withdrawal

3.4 If the Landlord so requests, the Tenant shall make payment of the Minimum Rent and Additional Rent in equal monthly instalments in advance or for such period as the Landlord may request by way of a series of post-dated cheques to be delivered to the Landlord or by way of a pre-authorized debit payment system.

Irregular Periods



3.5 All payments required to be made by the Tenant under this Lease, including, without limitation, Minimum Rent and Additional Rent shall be deemed to accrue from day to day and if for any reason it shall become necessary to calculate Rent for irregular periods of less than one year an appropriate pro-rata adjustment shall be made on a daily basis based on a period of 365 calendar days, in order to compute payment for such irregular period.

ARTICLE 4

NET LEASE

Intent

4.1 The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net Lease for the Landlord except as shall be otherwise provided in the specific provisions contained in this Lease, and that the Landlord shall not be responsible during

Tenant	Landlord
	

the Term of the Lease for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises, the Lands or the Building or the contents thereof, excepting only the Landlord's income tax, business tax and capital tax in respect of income received from leasing the Leased Premises and other premises in the Building and the Tenant, except as shall be otherwise provided in the specific provisions contained in the Lease, shall pay all charges, impositions and costs of every nature and kind relating to the Leased Premises, the Lands and the Building in the manner more particularly described in this Lease and the Tenant covenants with the Landlord accordingly.

ARTICLE 5

TAXES

Taxes



5.1 The Tenant shall pay to the Landlord, as Additional Rent, in addition to the Minimum Rent and other sums due hereunder, in the manner hereinafter specified, for each fiscal period adopted by the Landlord, from time to time, the Tenant's Proportionate Share of all Taxes. The tax year of any lawful authority commencing during any Lease Year shall be deemed to correspond to such Lease Year. The Landlord may estimate in advance for each Lease Year the Tenant's Proportionate Share of Taxes and the Tenant agrees to pay the Landlord such estimated amount in monthly instalments in advance during the Term. After the expiry of each Lease Year, the Landlord shall provide the Tenant with a statement showing the actual amount of Taxes incurred for such Lease Year. If the Tenant shall have paid in excess of the Tenant's Proportionate Share of Taxes for such Lease Year, the excess shall, at the Landlord's option, be refunded by the Landlord within forty five (45) calendar days or be credited on account of Rent next falling due. If the amount paid by the Tenant is less than the Tenant's Proportionate Share of Taxes, the Tenant agrees to pay such deficiency to the Landlord on demand.

Separate Tax Assessments

5.2 In the event that there is a separate assessment for the realty taxes made against the Leased Premises, the Tenant agrees to pay all such taxes attributable to the Leased Premises as a result of such separate assessment in the manner set out in Section 5.1 or directly to the taxing authority when due if required by the Landlord.

Taxes Payable by the Tenant

5.3 In each and every Year of the Term, the Tenant shall pay and discharge within twenty (20) calendar days after same becomes due and payable, all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, machinery, equipment and facilities of the Tenant on or in the Leased Premises, other than Taxes included in Section 5.1 and every tax and licence fee in respect of any and every business carried on therein or in respect of the use or occupancy thereof by the Tenant (and any and every sub-tenant or licensee), other than income taxes assessed upon the income of the

Tenant	Landlord
	

Landlord (or such sub-tenant or licensee), whether such taxes, rates, duties, assessments and license fees are charged by any municipal, parliamentary, school or other body during the Term, against the Tenant or against the Landlord on account of the Tenant's use and occupancy of the Leased Premises and against payment of all loss, costs, charges and expenses occasioned by, or arising from any and all such taxes, rates, duties, assessments, license fees, and any and all taxes which may in the future be levied in lieu of such taxes; and any such loss, costs, charges, and expenses suffered by the Landlord may be collected by the Landlord as rent with all rights of distress and otherwise as reserved to the Landlord in respect of Rent in arrears. Any of the taxes, rates, duties or assessments referred to in this Section 5.3 which are levied or assessed against the Landlord, the Building or the Lands shall be paid by the Tenant to the Landlord in the manner provided in Section 5.1.

Goods and Services Tax

5.4 In the event any business transfer tax, value-added tax, multi-stage sales tax, sales tax, goods and services tax, or any like tax is imposed on the Landlord by any governmental authority on any Rent (whether fixed Minimum Rent or Additional Rent) payable by the Tenant under this Lease, the Tenant shall reimburse the Landlord for the amount of such tax forthwith upon demand (or at any time designated from time to time by the Landlord) as Additional Rent.

Evidence of Payment



5.5 The Tenant further covenants and agrees that upon request of the Landlord, the Tenant will promptly deliver to the Landlord for inspection, receipt for payment of all taxes, rates, duties, assessments, and other charges in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises which were due and payable up to one (1) month prior to such request, and in any event will furnish to the Landlord evidence of payment satisfactory to the Landlord before the twenty-first (21st) day of January in each year covering payments for the preceding year.

ARTICLE 6

PARKING AND USE OF COMMON AREAS AND FACILITIES

Control of Common Areas and Facilities by the Landlord

6.1 All Common Areas and Facilities from time to time provided by the Landlord, shall at all times be subject to the exclusive control and management of the Landlord, and the Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to the Leased Premises and all Common Areas and Facilities, however in no event shall the Tenant or customers of the Tenant have to pay to park.

Tenant	Landlord
	

Access

6.2 The Landlord for itself and its assigns hereby grants to the Tenant and its permitted assigns a free right of access in common with the Landlord and all other persons entitled to the like right over all of the areas designated by the Landlord from time to time as parking areas, roadways and walkways in the Building and on the Lands.

License to Park

6.3 The Landlord hereby grants to the Tenant the license, irrevocable unless the Tenant is in default hereunder, in common with other tenants of the Building, over all of the areas designated by the Landlord from time to time as parking lots for the purpose of parking automobiles thereon, (save for roadways, sidewalks, lanes, service areas and landscaped areas) and subject at all times to the rules and regulations described in Section 6.1 and Section 23.1. Notwithstanding the above, the Landlord provide one (1) Handi-Cap parking stall, one (1) parent with infant parking stalls, and one (1) short term parking stalls, in front of the main entrance to the Leased Premises. The Tenant shall be responsible for the policing of its patrons and shall instruct them to park in the designated areas.

ARTICLE 7



OPERATING COSTS

Tenant to Bear Pro Rata Share of Expense

7.1 In each Lease Year, the Tenant will pay to the Landlord, in addition to the Rent specified elsewhere in this Lease, as Additional Rent, the Tenant's Proportionate Share of Operating Costs.

Payment of Tenant's Proportionate Share

7.2 Operating Costs shall be estimated by the Landlord for such period as the Landlord may determine and the Tenant agrees to pay to the Landlord its Proportionate Share of such amounts in monthly instalments in advance during such period together with other Rent payments provided for in this Lease. After the expiry of each Lease Year, the Landlord shall provide the Tenant with a statement showing the actual Operating Costs incurred for the Building and the Lands for such Lease Year. If the Tenant shall have paid in excess of the Tenant's Proportionate Share of Operating Costs for such Lease Year, the excess shall, at the Landlord's option, be refunded by the Landlord within forty five (45) calendar days or be credited on account of Rent next falling due. If the amount paid by the Tenant is less than the actual amount due, the Tenant agrees to pay such deficiency within five (45) days of receiving notice from the Landlord as to the amount of any deficiency. The Landlord may revise its statement showing the actual Operation Costs incurred for such Lease Year for a period up to one year thereafter and the Tenant shall pay such any deficiency from the revised amount within five (45) days of receiving

Tenant	Landlord
	

notice from the Landlord as to the amount of any deficiency notwithstanding any termination of the Lease or expiry of the Term.

Exceptions

7.3 Notwithstanding anything else to the contrary herein, the obligation of the Tenant to pay the Tenant's Proportionate Share of Operating Costs in accordance with the foregoing or any other provision of this Lease is amended to the following extent:

(a) The Landlord shall make reasonable efforts to keep the Tenant's Proportionate Share of Operating Costs attributable to management fees and attributable to the auditing of management fees to under \$1000.00 per month; and

(b) The Tenant shall not be required to pay any amount for the Tenant's Proportionate Share of Operating Costs attributable to master utility meters as contemplated in Section 1.24(j)-(i).

ARTICLE 8

TENANT'S COVENANTS

Rent

8.1 The Tenant covenants to pay Minimum Rent and Additional Rent as herein provided without set-off or deduction, when due and payable. Notwithstanding anything else herein, any unpaid amounts of Rent shall bear interest from the due date thereof to the date of payment at a rate per annum of eighteen (18%) percent. Without limiting the generality of Section 20.1, nothing contained herein shall be construed so as to compel the Landlord to accept any payment of Rent in arrears should the Landlord elect to apply its remedies under the forfeiture or any other provision of this Lease in the event of default hereunder by the Tenant.

Relocation of Leased Premises



8.2 **Intentional Deleted:**

ARTICLE 9

USE OF PREMISES

Use of Premises

9.1 (a) The Tenant shall use the Leased Premises for the principle purpose of a full service (male and female) **athletic and fitness facility which may include without**

Tenant	Landlord
	

limitation: a) weight and aerobic training, b) racquetball/squash, c) basketball, d) hot tub (aboveground), e) sauna, f) group exercise classes, g) free weights, h) spinning, i) circuit training, j) boxing, k) yoga, and l) personal training; including tanning, massage therapy, and fitness consulting services and, as ancillary to such principal use, the Tenant shall be permitted to operate a Gold's Gym Pro Shop, health store and juice bar (subject to municipal approvals) and the Tenant shall be responsible, at its sole cost and expense, for satisfying itself that the permitted use is in compliance with zoning by-laws for the Centre/Building), and the sale, at retail, as such other goods and services as are normally provided from time to time in the majority of the Tenant's large format fitness facilities in Canada, so long as the area used for such goods and services does not in the aggregate exceed ten percent (10%) of the Gross Floor Area of the Leased Premises and will not use, permit or suffer the Leased Premises or any part thereof to be used for any other business or purpose. In particular, but without limiting the generality of the foregoing, the Tenant shall not use, permit or suffer the Leased Premises or any part thereof to be used for any of the restricted uses or for any other use not expressly allowed to the Tenant herein and for which the Landlord grants an exclusive-covenant in favour of any other tenant of the Building.

(b) The Tenant will not perform any acts or carry on any practices which may injure the Building or the Lands or be a nuisance or a menace to the Landlord or to other tenants in the Building.



(c) The Tenant will utilize the entire Leased Premises in the active and continuous conduct and operation of its business throughout the Term, and without limiting the generality of the foregoing, the Tenant will operate the Leased Premises in the active conduct of the Tenant's business during Normal Business Hours.

(d) The Tenant will not operate or use the Leased Premises for any other business or purpose except the use permitted under Section 9.1(a) hereof. Without limiting the generality of the foregoing, none of the following businesses or activities may be carried on in the Leased Premises:

(i) a store conducted principally or in part for the sale of second hand goods (except resale of trade ins), war surplus articles, insurance salvage stock or fire sale stock or the sale of merchandise damaged by fire except in the event of a fire taking place in the Leased Premises and then only for the sale of merchandise damaged by such fire during the period of thirty (30) calendar days immediately after such store shall have opened following such fire;

(ii) any operation and any line of merchandise in which the Tenant is making a practice of fraudulent or deceptive advertising or selling procedures;

(iii) an auction other than a fine art antique auction;

Tenant	Landlord
	

- (iv) a pawn shop;
- (v) any use which the Tenant is prohibited from carrying on; and
- (vi) any other business which, because of the merchandise to be sold, or the merchandising methods likely to be used would tend to alter the character of the Building.

ARTICLE 10

UTILITIES AND TELECOMMUNICATIONS SYSTEMS



Utility Charges and Meters

10.1 The Tenant shall be solely responsible for and shall promptly pay directly to the provider all charges for lighting, heating, ventilating and air conditioning the Leased Premises and all water, gas, electricity, telephone and other utilities used or consumed in the Leased Premises. If there are no separate meters for measuring the consumption of such utilities, the Tenant shall pay to the Landlord, in advance, by monthly instalments as Additional Rent, such amount as may be reasonably estimated by the Landlord or its Management Company from time to time as the cost of such utilities for the Leased Premises. In the event of any dispute between the Landlord and the Tenant as to the amount of such utility costs, the decision of the Landlord or its Management Company shall be final and binding on the Landlord and the Tenant. In no event shall the Landlord be liable for, nor have any obligation with respect to, an interruption or failure in the supply of such utilities or services to the Leased Premises, whether supplied by the Landlord or others but shall take all reasonable steps to rectify any interruptions on the Common Areas and Facilities.

Telecommunications Systems

10.2 The Tenant may utilize a telecommunication service provider of its choice with Landlord's prior written consent, which terms of consent shall include, but not be limited to, the following:

- (a) The Tenant shall cause the service provider to execute and deliver to the Landlord the Landlord's standard form of license agreement.
- (b) The Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including without limitation, the cost of installation, service, materials, repairs, maintenance, interruption or loss of telecommunication service;
- (c) **[Intentionally Deleted.]**

Tenant	Landlord
	

(d) The Tenant shall indemnify and hold harmless the Landlord for all losses, claims, demands, expenses, and judgments against the Landlord caused by or arising out of, either directly or indirectly, any acts or omissions by the service provider or the Tenant or those for whom they are responsible at law; and

(e) Without limiting any other provision of this Lease, the Tenant shall, at the expiration or sooner termination of the Term, remove such of the service provider's equipment and materials as the Landlord requires be removed by the Tenant.

ARTICLE 11



MAINTENANCE OF LEASED PREMISES

Maintenance by Tenant

11.1 (a) The Tenant shall at all times during the Term at its own cost and expense repair, maintain, keep in good order and repair, and make replacements to the Leased Premises and all equipment, fixtures and mechanical systems within or necessarily incidental to the Leased Premises including the heating, ventilating and air-conditioning equipment and any improvement now or hereafter made to the Leased Premises as a careful owner would do, and the Tenant covenants to perform such maintenance, to effect such repairs and replacements and to decorate at its own cost and expense as and when necessary or reasonably required so to do by the Landlord. In the event the Tenant fails to repair or replace the heating, ventilating and air-conditioning equipment, the Landlord may, at its option, give notice to the Tenant that the Landlord will make repairs and replacements to the heating, ventilating and air-conditioning equipment and in such instances, the Tenant shall pay to the Landlord as Additional Rent the cost of such repairs or replacements plus an administration fee equal to 15% of such cost.

(b) The Tenant shall promptly repair or make whole all damaged glass, plate glass, doors and windows in the Leased Premises unless such damage is caused by the Landlord or persons for whom the Landlord is in law responsible.

(c) The Tenant shall at all times keep the Leased Premises and, without limitation, the loading area and exterior surfaces of the Leased Premises in a neat, clean and sanitary condition and shall not allow any refuse or garbage, or pallets, cartons or like material resulting from deliveries, or loose or waste material to accumulate in or about the Leased Premises. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, including patrons of the Building, and shall be disposed of by the Tenant on a regular basis, as determined by the Landlord but at the Tenant's sole expense. In the event the Tenant fails to clean in accordance with this Section 11.1(c) upon written notice from the Landlord so to do, the Landlord may clean the same and the cost thereof shall be paid by the Tenant to the Landlord as Additional Rent, upon demand.

Tenant	Landlord
	

(d) The Tenant shall, without notice from the Landlord, at the expiration or sooner termination of the Term, peacefully surrender and yield up to the Landlord the Leased Premises in good and tenantable repair and in the condition required by this Lease.

Landlord's Approval

11.2 Before commencing any repairs, replacements, maintenance, alteration, decoration or improvements set out above, or elsewhere referred to in this Lease, except with respect to the repair and maintenance of the Tenant's fitness equipment and other minor repairs and maintenance to be undertaken in the ordinary course of the Tenant's business, the Tenant shall obtain the Landlord's written approval (with a response to a request for such approval to be provided by the Landlord as soon as soon as reasonably possible and in any event, not later than thirty (30) days following a request for approval), which shall not be unreasonably withheld, except that the Tenant may, in the case of an emergency, where further damage to the Leased Premises or the Tenant's property would occur without immediate action by the Tenant, repair or take steps to repair the Leased Premises (provided that no structural changes shall be made thereto) and shall, if required by the Landlord to do so, submit plans and specifications therefor.

Any repairs, replacements, maintenance, alterations, decorations or improvements so done by the Tenant shall be carried out in a good and workmanlike manner. The Tenant shall be responsible at its sole cost and expense for all permits, approvals and licenses from all applicable governmental authorities in connection with such repairs, replacements, maintenance, alterations, decorations or improvements and shall provide evidence of same to the Landlord upon request.

Repair Where Tenant Is At Default



11.3 If the Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of the Landlord, the Landlord may make such repairs without liability to the Tenant (excepting the Landlord's negligence) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay the Landlord's actual reasonable costs in the circumstances plus fifteen (15%) percent of such costs for making such repairs, forthwith upon presentation of an invoice therefor.

Repair by Landlord

11.4 The Landlord shall be responsible only for structural repairs to the structural elements of the roof, foundations and outer support walls of the Building, normal wear and tear and damage by Insurable Hazards excepted.

Cost of Repair of Common Areas and Facilities Where Tenant at Fault

11.5 If the Building or the Common Area and Facilities, including without limiting the generality of the foregoing, the common loading areas, the exterior of the Leased Premises, including the front thereof and entrance thereto, the boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating, ventilating or air-conditioning the Building, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building or the roof

Tenant	Landlord
	

or outside walls of the Building get out of repair or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees, contractors, lessees, licensees or concessionaires, or through it or them in any way stopping up, injuring or rendering inoperable the heating apparatus, water pipes, drainage pipe or other equipment or part of the Building, the expense of necessary repairs, replacements or alterations shall be borne by the Tenant who shall pay the same to the Landlord upon demand as Additional Rent.

ARTICLE 12

INSURANCE AND INDEMNITY

Landlord's Insurance.

12.1 The Landlord covenants and agrees to place and maintain with respect to the Building the following insurance coverage, on such terms and in such amounts as determined by the Landlord from time to time, acting reasonably:



- (a) all risks insurance, boiler and machinery insurance, and rental interruption insurance;
- (b) commercial general liability insurance; and
- (c) any and all other insurance considered necessary by the Landlord acting reasonably as a prudent owner.

Notwithstanding the foregoing, the Landlord shall not be required to take out or maintain any insurance with respect to any loss, injury or damage against which the Tenant is required to insure pursuant to this Lease. Notwithstanding any contribution by the Tenant to the Landlord's insurance premiums as provided in this Lease, no insurable interest is conferred upon the Tenant under policies carried by the Landlord.

Tenant's Insurance.

12.2 (a) During the whole of the Term and during such other time as the Tenant occupies the Leased Premises, the Tenant shall take out and maintain in the name of the Tenant, the Landlord, its designated representatives and the Mortgagee as their respective interests may appear the following insurance coverage, at the Tenant's sole expense:

- (i) commercial general liability insurance against claims for third party bodily injury, including death, and property damage or loss arising out of the use or occupation of the Leased Premises, or the Tenant's business on or about the Leased Premises, such insurance to be in the joint names of the Tenant and the Landlord so as to indemnify and protect both the Tenant and the Landlord and to contain a "cross liability" or "severability of interest" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if

Tenant	Landlord
	

individual policies had been issued to each, and shall be for the amount of not less than Five million (\$5,000,000.00) dollars combined single limit or such other amount as may be reasonably required by the Landlord from time to time;

(ii) all risks insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Leased Premises owned by the Tenant or for which the Tenant is legally liable, and insurance upon all glass and plate glass in the Leased Premises against breakage and damage from any cause, all in an amount equal to the full replacement value thereof, which amount in the event of a dispute shall be determined by the Landlord in its sole discretion;

(iii) boiler and machinery insurance on such boilers and pressure vessels and equipment as may be installed by, or under the exclusive control of, the Tenant in the Leased Premises;

(b) The Tenant's policies of insurance hereinbefore referred to shall contain the following:

(i) provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of a claim under such policies and such policies shall not be affected or invalidated by any act, omission or negligence of the Tenant or any third party which is not within the control of the Landlord;



(ii) provisions that such policies and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by the Landlord;

(iii) provisions for waiver of the insurer's rights of subrogation as against the Landlord;

(iv) provisions that such policies of insurance shall not be restricted, materially changed or cancelled without the insurer providing the Landlord with thirty (30) calendar days written notice stating when such restriction, change or cancellation shall be effective.

(c) The Tenant shall during the whole of the Term maintain such other insurance in such amounts and in such sums as the Landlord may reasonably determine from time to time.

(d) Evidence satisfactory to the Landlord of all policies of insurance required to be maintained by the Tenant pursuant to the provisions of this Lease shall be provided to the Landlord prior to the Tenant taking possession of the Leased Premises and thereafter, from time to time, upon request.

Tenant	Landlord
	

Bodily Injury, Death, Loss or Damage

12.3 The Tenant agrees that:

(a) The Landlord shall not be liable for any bodily injury to or death of, or loss or damage to any property belonging to the Tenant or its employees, invitees or licensees or any other person in or about the Leased Premises or the Building and in no event shall the Landlord be liable for any consequential injury, economic or financial loss or damage relating thereto, or

(i) for any injury or damage of any nature whatsoever to any persons or property caused by the failure by reason of a breakdown or other cause, either directly or indirectly, to supply adequate drainage, snow or ice removal or by reason of the interruption of any public utility or other service, or in the event of gas, steam, water, rain, snow, ice or other substances leaking into, issuing or flowing from the water, steam, sprinkler or drainage pipes or plumbing of the Building or the Leased Premises or from any other place or quarter, into any part of the Leased Premises or from any loss or damage caused by or attributable to any structural defect of the building and or the condition or arrangement of any electric or other wiring or for any damage caused by anything done or omitted to be done by any other tenant of the Building;



(ii) for any act or omission, including theft, malfeasance, or negligence on the part of any agent, contractor or person from time to time employed by the Landlord to perform security services, maintenance, supervision, cleaning or any other work or service in or about the Leased Premises or the Building;

(iii) for loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant, including any consequential loss or damage resulting therefrom; or

(iv) for loss or damage to any automobiles or their contents or for the unauthorized use by other tenants or strangers of any parking space allotted to the Tenant or for parking in or upon the Common Areas and Facilities;

and the Tenant covenants to indemnify and does hereby indemnify the Landlord against and from all loss, costs, claims and demands in respect of any such injury, death or loss to it or its employees, invitees or licensees or any other person in or on the Building for the purpose of attending at the Leased Premises or the Building in respect of any such damage to property belonging to or entrusted to the care of any of the aforementioned;

(b) The Landlord shall have no responsibility or liability for the failure to supply, if required to do so under the terms of this Lease, interior and climate control and utilities when prevented from doing so by strikes, the necessity of repairs, and order or regulation of anybody having jurisdiction, the failure of the supply of any utility required for the operation thereof or any other cause beyond the Landlord's reasonable control, and the

Tenant	Landlord
	

Landlord shall in no event be held responsible or liable for business, economic, indirect or consequential loss, damages or other damages for personal discomfort or illness or injury or death resulting therefrom;

(c) The Landlord shall be under no obligation to repair, maintain or insure any of the Tenant's Trade Fixtures or improvements installed by the Tenant or on its behalf or any other property of the Tenant in or upon the Leased Premises and the Landlord shall not be liable for any loss or damage against which the Tenant is obligated to insure hereunder or has insured against;

(d) The Landlord shall be under no obligation to remedy any default of the Tenant and shall not incur any liability to the Tenant for any act or omission in the course of its curing or attempting to cure any such default or in the event of its entering upon the Leased Premises to undertake any examination thereof or any work therein or in the case of any emergency; and


(e) All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant.

Increase in Insurance Premiums

12.4 The Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the insurance policies in force from time to time covering the Building. In the event the Tenant's occupancy of, conduct of business in, or sale of any merchandise from, or on the Leased Premises, or in the event any activity carried on or permitted to be carried on by the Tenant whether or not the Landlord has consented to same, causes any increase in premiums for the insurance carried from time to time by the Landlord for the Building, the Tenant shall pay any such increase in premiums as Additional Rent within ten (10) Business Days after bills for such additional premiums shall be rendered by the Landlord. In determining whether increased premiums are a result of the Tenant's use or occupancy of the Leased Premises, or the sale of any article therein or therefrom, a schedule issued by the organization making the insurance rate on the Building showing the various components of such rates shall be conclusive evidence of the several items and charges which make up such rates.

Cancellation of Insurance

12.5 If any insurance policy upon the Leased Premises, or any part thereof, shall be cancelled or shall be threatened by the insurer to be cancelled, or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Leased Premises or any part thereof by the Tenant or by any assignee or sub-tenant of the Tenant, or by anyone permitted by the Tenant to be upon the Leased Premises, and if the Tenant fails to remedy the condition giving rise to cancellation or reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may remedy the condition giving rise to such cancellation, threatened cancellation or reduction, and the Tenant shall forthwith pay the cost thereof to the Landlord which cost may be collected by the Landlord as Rent.

Tenant	Landlord
Sh	

Indemnification of Landlord

12.6 The Tenant agrees to and does hereby indemnify, defend and save harmless the Landlord in respect of any claims for bodily injury or death, property damage or any other loss or damage, arising howsoever, out of the use or occupation of the Leased Premises or from conduct of any work by or any act or omission of the Tenant or any assignee, subtenant, agent, employee contractor, invitee, or licensee of the Tenant or anyone else for whom the Tenant may be responsible in law, and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expense of any action or proceeding pertaining thereto and in respect of any loss, cost, expense or damage suffered or incurred by the Landlord arising from any breach or non-performance by the Tenant of any of its covenants or obligations under this Lease. The Tenant's obligations to observe or perform the foregoing covenants shall survive the expiration or other termination of this Lease. The Tenant expressly releases the Landlord from any claims, damages, judgements, losses or awards caused by or arising from perils insured against or required to be insured against by the Tenant under this Lease.



ARTICLE 13

ASSIGNMENT AND SUBLETTING

Consent Required

13.1 (a) The Tenant shall not assign this Lease or sublet or otherwise part with possession of the whole or any part of the Leased Premises unless: (1) it shall have received or procured a bona fide written offer to take an assignment or sublease which is not inconsistent with, and the acceptance of which would not breach any provision of this Lease if this Section is complied with and which the Tenant has determined to accept subject to this Section being complied with, and (2) it shall have first requested and obtained the consent in writing of the Landlord thereto. Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing and business of the proposed assignee or sub-tenant. Within fifteen (15) calendar days after receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within fifteen (15) calendar days after receipt of such request for consent) the Landlord shall notify the Tenant whether or not the Landlord consents. The Landlord's consent to the proposed assignment or sublease shall not be unreasonably withheld so long as the proposed assignment or sublease complies with provisions of this Section 13.1;

(b) Notwithstanding any such assignment, sublease, or parting with possession, the Tenant shall remain fully liable on this Lease and shall not be released from performing

Tenant	Landlord
	

any of the terms, covenants and conditions of this Lease during the Term hereof and any extensions or renewals of this Lease;

(c) No assignment or sublease shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who are experienced in and agree to carry on the type of business conducted in the Leased Premises by the Tenant, as set forth in Section 9.1(a) hereof and who undertake to perform and observe the obligations of the Tenant hereunder by entering into the Landlord's form of agreement directly with the Landlord;

(d) The prohibition against assigning or subletting without the consent required by this Section 13.1 shall be construed to include a prohibition against any assignment or sublease by operation of law, any assignment or sublease to a franchise of the Tenant and the granting of any mortgage or other security interest in this Lease;

(e) The consent by the Landlord to any assignment or sublease shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease;

(f) All costs incurred by the Landlord in connection with the assignment or sublease or the request for consent thereto shall be borne by the Tenant;



(g) Any consideration whatsoever, including any Rent or other charges, in respect of the Leased Premises in excess of that payable hereunder by the Tenant to the Landlord, payable by an assignee or subtenant to the Tenant pursuant to any permitted assignment or sublease, shall be assigned by the Tenant to the Landlord at the time such consent is granted; and

(h) No sublease shall be made unless the sublease provides that the minimum rent payable by subtenant is at minimum the average of the base rent paid by the tenants of the Centre not including the Tenant hereunder.

Notwithstanding the foregoing, the Tenant shall be permitted to assign this Lease on written notice to the Landlord (but without the requirement for consent) to an affiliated corporation (as that term is defined in the *Canada Business Corporations Act*) provided that if such affiliation ceases the Lease shall be reassigned to the Tenant or another affiliate of the Tenant and further provided that the terms and conditions of Section 13.1 shall apply to any such assignment.

Control of Corporation

13.2 If the Tenant is a corporation, other than a corporation of which the shares are listed on any recognized stock exchange, effective control of the corporation shall not be changed directly or indirectly by a sale, encumbrance or other disposition of shares whether by operation of law or otherwise howsoever, without first obtaining the written consent of the Landlord and such change of control shall be deemed an assignment and the provisions of Section 13.1 shall apply.

Tenant	Landlord
	

No Bulk Sale

13.3 No bulk sale of the goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld so long as the Tenant and the purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations hereunder will continue to be performed and respected, in a manner satisfactory to the Landlord, after completion of the said bulk sale.

ARTICLE 14

WASTE, GOVERNMENTAL REGULATION

Waste or Nuisance

14.1 The Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any nuisance or other thing which may disturb the quiet enjoyment of any other tenant in the Building.

Governmental Regulations



14.2 The Tenant shall, at the Tenant's sole cost and expense, comply with all of the requirements of all municipal, provincial, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the Leased Premises, and shall faithfully observe in the use of the Leased Premises all municipal by-laws and provincial and federal statutes and regulations now in force or which may hereafter be in force.

Observance of Law

14.3 The Tenant covenants to comply with all provisions of law including, without limiting the generality of the foregoing, federal and provincial legislative enactments, building by-laws and other governmental or municipal regulations which relate to the partitioning, equipment operation and use of the Leased Premises, or to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Leased Premises, and to comply with all police, fire and sanitary regulations imposed by any governmental, provincial or municipal authorities or made by fire insurance underwriters and to observe and obey governmental and municipal regulations and other requirements governing the conduct of any business conducted in the Leased Premises.

Compliance with Environmental Laws

14.4 (a) Without limiting any other provision of the Lease, the Tenant agrees to comply in all respects with all laws, ordinances, rules and regulations relating to the storage, transport, use or disposal of any Hazardous Substance. The Tenant agrees to indemnify and hold the Landlord harmless from and against any and all claims, losses, costs,

Tenant	Landlord
	

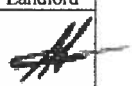
damages, liabilities, civil fines and penalties, criminal fines and penalties, expenses (including legal fees on a solicitor-client basis), cleanup costs or other injury resulting from or arising out of the Tenant's (including employees, contractors and agents) failure to comply with the foregoing sentence. The Tenant agrees to post and keep posted in a prominent location of the working area of the Leased Premises any memorandum or bulletin from the Landlord concerning Hazardous Substances. The foregoing indemnity shall survive the termination of the Lease, any subsequent extensions or renewals and shall continue until the applicable statute of limitation runs out.

(b) The Tenant shall not cause or permit any Hazardous Substance, as defined herein or declared to be such pursuant to any Environmental Laws, to be brought upon, kept or used in or about the Leased Premises or any part thereof without the prior written consent of the Landlord, which consent will not be unreasonably withheld if the Tenant demonstrates to the Landlord's reasonable satisfaction that the Hazardous Substance is reasonably necessary for the Tenant's permitted use of the Leased Premises and that it will be used, kept, stored and disposed of in a manner that complies with all Environmental Laws regulating the Hazardous Substances.

(c) The Tenant shall at the Tenant's own expense comply with all Environmental Laws regulating the manufacture, use, storage, transportation and disposal of Hazardous Substances and shall make, obtain and deliver all reports and studies required by any authority thereunder.

(d) The Landlord may at any time and from time to time inspect the Leased Premises and the Tenant's reports for the purpose of identifying the existence, nature and extent of any Hazardous Substance on the Leased Premises and the Tenant's use, storage and disposal of any Hazardous Substance, and the Tenant agrees to co-operate with the Landlord in its performance of such inspection. If the Landlord, acting reasonably, determines following any such inspection that further testing or investigation is required in order to monitor the Tenant's compliance with any Environmental Laws, the Landlord may at its option require the Tenant, at its expense, to arrange for such testing or investigation, or may arrange for such testing or investigation itself, in which case the Landlord's cost of any such testing or investigation shall be paid by the Tenant to the Landlord as Additional Rent forthwith upon demand thereof.

(e) If any authority under any Environmental Laws shall require the cleanup of any Hazardous Substances held, released, spilled, abandoned or placed upon the Leased Premises or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Leased Premises, then the Tenant shall at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by such authority and carry out and complete the work required, provide to the Landlord full information with respect to proposed plans and the status from time to time of its cleanup work and comply with the Landlord's reasonable requirements with respect to such plans.

Tenant	Landlord
SH	

(f) If the Tenant creates or brings to the Leased Premises any Hazardous Substance or if the conduct of the Tenant's business shall cause there to be any Hazardous Substance at the Leased Premises then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation to the Leased Premises of the Hazardous Substance, and notwithstanding the expiry or early termination of the Lease.

(g) Upon the expiration or early termination of the Term, the Tenant at its sole expense shall remove and dispose of all Hazardous Substances and all storage tanks and other containers therefor in accordance with all Environmental Laws to the extent required by the Landlord, and to the extent that such removal and disposal involves any excavation work at the Leased Premises, the Tenant shall restore the Leased Premises to the same grade level as immediately prior to excavation, using only clean, uncontaminated soil or other material satisfactory to the Landlord. In performing such work, the Tenant shall use only those environmental consultants and contractors first approved in writing by the Landlord and the Tenant shall provide the Landlord with evidence of such removal and disposal hereunder.



ARTICLE 15

LANDLORD'S COVENANTS

Landlord's Covenants

15.1 Upon payment by the Tenant of the Rent herein provided, and upon observance and performance of all covenants, terms and conditions on the Tenant's part to be observed and performed, the Landlord hereby covenants with the Tenant:

- (a) for quiet enjoyment for the Term hereby demised without hindrance or interruption by the Landlord, or any other person or persons lawfully claiming by, through or under the Landlord;
- (b) subject to the other provisions of this Lease, to maintain, and to insure the Common Areas and Facilities, the Lands and the Building as a landlord, acting reasonably, would do in similar circumstances; and
- (c) to not grant a lease of any other part of the Center to a business or to allow a business on the Center that is a fitness facility, provides personal training, yoga, group exercises, aerobics, or spin classes. Subject to Section 9.1, the Tenant is authorized to have a hair salon, sell fitness clothing and equipment, but is not permitted to do so to the exclusion of other tenants in the Centre.

Tenant	Landlord
	

Services

15.2 Intentionally Deleted:

ARTICLE 16

CHANGES AND ADDITIONS TO BUILDING

Changes and Additions to Building

16.1 The Landlord hereby reserves the right at any time to change the configuration of the Common Areas and Facilities and to make alterations or additions to the Building in which the Leased Premises are contained and to build adjoining the same. The Landlord also reserves the right to construct other buildings or improvements on the Lands from time to time and to make alterations thereof or additions thereto and to build additional storeys on any such building or buildings and to build adjoining same and to construct multi-deck or elevated or underground parking facilities. The Tenant acknowledges that the sole object of the floor plan attached as Schedule "B" is to identify the approximate location of the Leased Premises. The Landlord reserves the right to make, at any time whether before or during the Term, any relocations, rearrangements or other modifications to the floor plan and/or the Building (including the Leased Premises) required by governmental authorities or by the Landlord.


ARTICLE 17

FIXTURES AND ALTERATIONS

Installation by Tenant

17.1 All fixtures installed by the Tenant shall be new or, if not new, in first class condition and of good appearance. Subject to Section 17.1.1 hereof, the Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed, any Trade Fixtures, exterior signs, floor coverings, wiring or cabling (whether telecommunications, computer or otherwise), equipment, materials, interior or exterior lighting, mechanical or electrical systems and fixtures, plumbing fixtures, shades or awnings, or make any changes to the store front or hang from or affix anything to the ceiling without first obtaining the Landlord's written approval and consent which shall not be unreasonably withheld. The Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought and the work shall be carried out in a good and workmanlike manner.

17.2 17.1.1 The Tenant shall not require the Landlord's consent to make or cause the addition of fitness equipment to the Leased Premises but the Tenant shall not affix or attach any fitness equipment to the Lease Premises without the Landlord's approval and consent obtained in accordance with Section 17.1. **Tenant's Fixtures and Restoration**

Tenant	Landlord
SH	



(a) So long as the Tenant is not in default hereunder, at the expiration of the Term of this Lease, the Tenant shall then have the right to remove its Trade Fixtures from the Leased Premises, but shall make good any damage caused to the Leased Premises resulting from the installation or removal thereof, provided that all alterations, additions and improvements constructed and installed in the Leased Premises and attached in any manner whatsoever to the floors, walls or ceilings, including any floor covering and light fixtures (the "Leasehold Improvements"), are hereby deemed not to be Trade Fixtures and shall remain upon and be surrendered with the Leased Premises, except to the extent the Landlord requires removal thereof pursuant to Section 17.2(d).

(b) If the Tenant fails to remove its Trade Fixtures and restore the Leased Premises as aforesaid, all such Trade Fixtures shall become the property of the Landlord except to the extent that the Landlord continues to require removal thereof pursuant to Section 17.2(d).

(c) Should the Tenant abandon the Leased Premises or should this Lease be terminated before the proper expiration of the Term hereof, due to a default on the part of the Tenant, then in such event, as of the moment of default by the Tenant, all Trade Fixtures and furnishings of the Tenant (whether or not attached in any manner to the Leased Premises and including Leasehold Improvements) shall, except to the extent the Landlord requires the removal thereof pursuant to Section 17.2(d), become and be deemed to be the property of the Landlord without indemnity to the Tenant and as additional liquidated damages in respect of such default but without prejudice to any other right or remedy of the Landlord.

(d) Notwithstanding that any Trade Fixtures, furnishings, alterations, additions, improvements, fixtures, wiring or cabling (whether telecommunications, computer or otherwise), equipment, materials, or Leasehold Improvements are or may become the property of the Landlord, the Tenant shall forthwith remove all or part of the same and shall make good any damage caused to the Leased Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant.

(e) If the Tenant, after receipt of a notice from the Landlord pursuant to Section 17.2(d), fails to promptly remove any Trade Fixtures, furnishings, alterations, additions, improvements, fixtures, wiring or cabling (whether telecommunications, computer or otherwise), equipment, materials, and Leasehold Improvements in accordance with such notice, then the Landlord may enter into the Leased Premises and remove therefrom all or part of such Trade Fixtures, furnishings, alterations, additions, improvements, wiring or cabling (whether telecommunications, computer or otherwise), equipment, materials, fixtures and Leasehold Improvements without any liability and at the cost of the Tenant which cost shall forthwith be paid by the Tenant to the Landlord together with an administration fee equal to 15% of such cost.

Tenant	Landlord
	

Not to Overload Floors or Facilities

17.3 The Tenant covenants and agrees that it will not

- (a) bring upon the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use might reasonably damage the Leased Premises or overload the floors of the Leased Premises;
- (b) overload the facilities serving the Leased Premises (including, but not being limited to, the heating, ventilating and air conditioning facilities, electrical facilities and plumbing facilities serving the Leased Premises),

and that if any damage is caused to the Leased Premises by any machinery, equipment, article or thing or by overloading the floors or the facilities or by any act, neglect, or misuse on the part of the Tenant and its servants, agents or employees or any person having business with the Tenant, the Tenant will forthwith at the option of the Landlord, either repair the same or pay to the Landlord the cost of making good the same as Additional Rent.

Tenant shall Discharge all Liens

17.4 The Tenant shall promptly pay all its contractors and material men and shall do any and all things necessary so as to minimize the possibility of a lien attaching to the Leased Premises or to any or all of the Lands and should any such lien be made or filed, the Tenant shall immediately discharge the same at the Tenant's expense and shall indemnify and save harmless the Landlord therefrom. If the Tenant does not immediately discharge such lien, the Landlord may pay such lien and the Tenant will pay to the Landlord the amount so paid and all the Landlord's costs in connection therewith which amounts shall be collectible by the Landlord as Additional Rent hereunder.



ARTICLE 18

DAMAGE AND DESTRUCTION

Total or Partial Destruction

18.1 (a) In the event the Leased Premises are wholly or partially damaged or destroyed by an Insurable Hazard, the Landlord shall, subject to Section 18.1(d), and subject to the consent of the Mortgagee, repair or replace the Leased Premises with reasonable diligence.

(b) The Landlord shall not be obligated to expend for such repair or replacement an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage. The Tenant shall cause all proceeds of insurance to be paid to the Landlord on account of the cost of repair or replacement. In no event shall the Landlord be required to repair or replace the Tenant's stock in trade, fixtures, furnishings, floor coverings or

Tenant	Landlord
	

equipment, nor items which are the responsibility of the Tenant pursuant to Section 11.1 hereof.

(c) If the casualty, repairing or rebuilding shall render the Leased Premises untenable, in whole or in part, a proportionate abatement of the Rent shall be allowed from the date when the damage occurred until the date the Landlord completes such work, said proportion to be computed on the basis of the relation which the gross square foot floor area of the space rendered untenable bears to the Gross Floor Area of the Leased Premises.



(d) If any damage or destruction to the Leased Premises or to the Building cannot in the Landlord's architect's opinion, be repaired and restored with reasonable diligence within two hundred and seventy (270) calendar days of the date of happening of such damage or destruction, either the Landlord or the Tenant (however, in the case of the Tenant, subject to the proviso in the last sentence of this Section 18.1(d)) may terminate this Lease and the tenancy hereby created by giving to the Tenant or the Landlord, as the case may be, sixty (60) calendar days written notice thereof and in the event of such termination, the Lease shall terminate and the Rent shall be adjusted as of the date of the occurrence of such damage or the date the Tenant properly ceases to conduct its business from the Leased Premises, whichever is later, and the Tenant shall deliver up vacant possession of the Leased Premises on the date specified in the notice and the provisions of Section 17.2 shall apply. Provided, however, that where the Tenant or an Affiliate of the Tenant at any point during the Term of this Lease opens a fitness facility within the geographical boundaries of the City of Regina, as they may exist from time to time, then the right of the Tenant to terminate the Lease under this Section 18.1(d) shall terminate and be void.

Notice by Tenant

18.2 The Tenant shall give immediate notice to the Landlord, in case of fire or accidents in the Leased Premises or in the Building of which the Leased Premises are a part, or of defects therein or in any fixtures or equipment, notwithstanding the fact that the Landlord may have no obligations with respect thereto.

Notice of Repair and Reconstruction

18.3 From and after the date upon which the Tenant is notified in writing by the Landlord that the Landlord's work of reconstruction or repair is completed, the Tenant shall immediately commence all work required to fully restore the Leased Premises and shall complete such work and reopen for business within sixty (60) calendar days of receipt of the Landlord's notice aforesaid with the Leased Premises fully fixtured, stocked and staffed. The certificate of the Landlord's architect shall bind the parties hereto as to the state of tenantability of the Leased Premises and as to the date upon which the Landlord's work of reconstruction or repair is completed.

Tenant	Landlord
	

ARTICLE 19
EXPROPRIATION

Expropriation of the Building


19.1 If during the Term the Building, or any part thereof, shall be acquired or condemned by expropriation for any public or quasi-public use or purpose, then the Landlord and the Tenant may separately claim, receive and retain awards of compensation for the loss of their respective interest, if any, but neither the Landlord nor the Tenant shall have any claim against the other in respect of the said loss of the unexpired Term.

ARTICLE 20
DEFAULT OF TENANT

Termination

20.1 If and whenever:

- (a) Subject to 20.01(b) hereof, any Rent or other amount payable by the Tenant under this Lease, including any instalment thereof, shall not have been paid within seven (7) Business Days after it is due, the Landlord shall provide the Tenant with written notice that such amount payable shall be paid within seven (7) Business Days of such notice, and if such amount in arrears is not paid within such time; or
- (b) any Rent or other amount payable by the Tenant under this Lease, including any instalment thereof, shall not have been paid within seven (7) Business Days after it is due, the Landlord having on three (3) prior occasions in total over the Term of the Lease provided the Tenant with a written notice in accordance with Section 20.1(a) hereof, without the requirement for formal demand by the Landlord; or
- (c) the Tenant shall have breached or failed to comply with any of its other covenants and agreements contained in this Lease, and shall have failed to remedy such breach or non-compliance within fifteen (15) calendar days after written notice thereof given by the Landlord to the Tenant (or such longer period if any as the Landlord may in writing allow for the remedying of such breach or non-compliance), provided however that no time for the remedying of such breach or non-compliance shall or need be given or allowed where the breach or non-compliance is one not reasonably capable of being remedied within a reasonable time; or
- (d) upon the occurrence of any event or circumstances which, pursuant to Section 20.2 or any other provision of this Lease so providing, entitles the Landlord to cancel or terminate this Lease or re-enter the Leased Premises;

Tenant	Landlord
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then and in every case it shall be lawful for the Landlord at any time thereafter at its option and without notice to the Tenant to enter into and upon the Leased Premises or any part thereof in the name of the whole and to terminate this Lease and all the rights of the Tenant hereunder, anything in this Lease to the contrary notwithstanding.

Bankruptcy

20.2 If the Tenant or any Indemnifier of this Lease shall become bankrupt or insolvent or file any proposal, or if a Receiver is appointed of all or a portion of the Tenant's property or any such Indemnifier's property, or if the Tenant makes a sale in bulk, or if the Tenant shall abandon the Leased Premises, or suffer this Lease or any of its assets to be taken under any writ of execution or like process, or if re-entry is permitted under any other terms of this Lease, then the Landlord, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Leased Premises and such property may be removed and stored for the account of the Tenant or be sold by the Landlord (and at the sole option of the Landlord, by way of private sale to the Landlord or any third party) all without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby and to have again, repossess and enjoy the Leased Premises as of its former estate whether the Landlord terminates this Lease or not, and notwithstanding the retaking of possession of the Leased Premises by the Landlord, the Landlord specifically reserves all remedies and rights of action herein or at law or in equity provided. The Landlord or its duly authorized agent shall be entitled to distrain for the Rent hereby reserved including accelerated rent, if any, or for any money hereby made recoverable by distress upon the goods and chattels of the Tenant, wheresoever situate, and upon any premises to which the same may have been removed or wherever the same may be found. The Tenant hereby waives and renounces the benefit of any present or future legislation taking away or limiting the Landlord's right of distress.

Damages

20.3 In the event of any breach of this Lease by the Tenant, the Landlord, in addition to exercising any other remedies available to the Landlord and whether the Landlord terminates this Lease or not, may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, legal fees on a solicitor-client basis and including the worth at the time of termination of the excess, if any, of the amount of Rent and charges equivalent to Rent reserved in this Lease for the remainder of the stated Term over the then reasonable rental value of the Leased Premises for the remainder of the stated Term, all of which amounts shall be immediately due and payable by the Tenant to the Landlord. In any of the events referred to in Section 20.2 hereof, in addition to any and all other rights including the rights referred to in this Section and in Section 20.2 hereof, the full amount of the current month's Minimum Rent and Additional Rent and the next three (3) months' Minimum Rent and Additional Rent shall immediately become due and payable, and the Landlord may distrain for the same, together with any arrears and interest thereon unpaid.

Tenant	Landlord
	

Landlord's Right to Perform

20.4 If the Tenant shall fail to observe, perform or keep any of the provisions of this Lease to be observed, performed and kept by the Tenant, the Landlord may, but shall not be obliged to, at its discretion and without prejudice, rectify the default of the Tenant, whether or not performance by the Landlord on behalf of the Tenant is otherwise expressly referred to in the applicable Section of this Lease. For such purpose the Landlord may make any payment and may do or cause to be done such things as may be required including, without limiting the generality of the foregoing, entry upon the Leased Premises. Any such performance by or at the request of the Landlord shall be at the expense of the Tenant and the Tenant shall pay to Landlord the cost thereof as Additional Rent. The Landlord may perform all or any of the obligations hereunder by or through the Management Company or other agency or agents as it may from time to time determine and the Tenant shall pay to any such agent any monies payable hereunder to the Landlord, as from time to time directed by the Landlord.

Landlord's Expenses in Enforcing Lease



20.5 If it shall be necessary for the Landlord to retain the services of a solicitor or any other person for the purpose of assisting the Landlord in enforcing any of its rights hereunder in the event of default on the part of the Tenant, the Landlord shall be entitled to collect from the Tenant the cost of all such services including all necessary court proceedings at trial and/or on appeal on a solicitor-client basis as if the same were deemed to be Rent reserved and in arrears hereunder; provided that any such costs shall only be recovered from the Tenant if the Landlord is materially successful upon the final disposition of any proceedings.

ARTICLE 21

RIGHT OF ENTRY

Right of Entry

21.1 The Landlord or its agent shall, upon 24 hours' written notice to the Tenant, have the right to enter [the Leased Premises during normal business hours to examine the same and to show them to prospective purchasers, tenants or mortgagees, and to enter the Leased Premises at times mutually agreed between the Landlord and the Tenant to make such repairs as the Landlord may deem necessary or desirable, and the Landlord shall be allowed to take all material into and upon the Leased Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part and the Rent reserved shall in no way abate by reason of loss or interruption of business of the Tenant or otherwise while said repairs are being made. During the six (6) months prior to the expiration of the Term of this Lease, the Landlord may place upon the Leased Premises reasonable notices "To Let" or "For Lease". The Tenant shall permit such notices to remain thereon without hindrance or molestation. The Landlord may at any time within six (6) months before the end of the Term enter the Leased Premises and bring

Tenant	Landlord
	

others at all reasonable hours for the purposes of offering the Leased Premises for rent. If the Tenant or the Tenant's representative shall not be present to open and permit an entry into the Leased Premises, at any time, when for any reason an emergency or reasonably apprehended emergency shall exist or be contemplated, the Landlord or its agent may enter the same by a master key, or may forcibly enter the same, provided reasonable care is exercised without rendering the Landlord or such agent liable therefor, and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained however, shall be deemed or construed to impose upon the Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Leased Premises or any part thereof except as otherwise herein specifically provided.

ARTICLE 22

ASSIGNMENT BY LANDLORD

Assignment

22.1 The Landlord may assign the whole of this Lease to any individual, partnership, corporation or other person or entity which has acquired the Landlord's interest in the lands of which the Leased Premises forms part (or may assign a portion of the interests herein of the Landlord in proportion to the interests in said lands sold by the Landlord); provided however, that the assignee shall enter into an agreement with the Tenant binding the assignee to this Lease before the effective date of any assignment.



22.2 Any sale, lease, transfer or other disposition of the Leased Premises made or given by the Landlord shall, to the extent that a purchaser, lessee or transferee assumes the obligations of the landlord hereunder, without any further written agreement, relieve that Landlord from further continuing liability under this Lease.

ARTICLE 23

RULES AND REGULATIONS

Rules and Regulations

23.1 All rules and regulations adopted and promulgated by the Landlord from time to time including those appended as Schedule "D" are hereby made a part of this Lease and the Tenant agrees to comply with and observe the same. The Tenant's failure to keep and observe such rules and regulations shall constitute a breach of this Lease in the manner as if the same were contained herein as covenants. Written notice of amendments or supplements, if any, shall be given to the Tenant and the Tenant agrees thereupon to comply with and observe all such rules

Tenant	Landlord
	

and regulations and amendments thereto and supplements thereof, provided that no such rules and regulations which contradict any provisions of this Lease shall be binding upon the Tenant.

ARTICLE 24

ESTOPPEL CERTIFICATE, ATTORNMENT, SUBORDINATION

Estoppel Certificate

24.1 Within ten (10) Business Days after request therefor by the Landlord, or in the event of any sale, assignment, lease or mortgage of the Lands, the Tenant agrees to deliver in a form supplied by the Landlord an estoppel certificate to any proposed Mortgagee or purchaser, or to the Landlord certifying (if such be the case) that this Lease is in full force and effect and that there are no deficiencies or set-offs thereto, or stating those claimed by the Tenant.

Attornment

24.2 The Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any Mortgage, attorn to the Mortgagee or the purchaser upon any such foreclosure or sale and recognize such Mortgagee or purchaser as Landlord under this Lease.

Subordination



24.3 This Lease is and shall be subordinate at all times to any Mortgage or Mortgages, and the lien resulting from any other method of financing or refinancing, now or hereafter in force against the Lands or the Building or against any buildings hereafter placed upon the Lands, and to all advances made or hereafter to be made upon the security thereof.

ARTICLE 25

MISCELLANEOUS

No Tacit Renewal

25.1 In the event the Tenant remains in possession of the Leased Premises after the end of the Term hereof without the execution and delivery of a new lease, and the Landlord accepts the Rent, there shall be no tacit renewal of this Lease or the Term hereby granted, and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at a monthly rental payable in advance on the first day of each month equal to 1.5 times the sum of all monthly Minimum Rent payable during the last month of the Term and otherwise upon the same terms and conditions as are set forth in this Lease (including the payment of Additional Rent), so far as applicable to a monthly tenancy.

Tenant	Landlord
	

Successors

25.2 All rights and liabilities herein given to, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in Section 13.1 hereof.

Constitution of Tenant

25.3 If at any time during the Term there is more than one Tenant or more than one person constituting the Tenant hereunder, then they shall each be liable jointly and severally for all Tenant's obligations hereunder and a default by one shall be deemed a default by all.

Entire Agreement

25.4 This Lease and the Schedules attached hereto and forming a part hereof set forth all of the covenants, promises, conditions, agreements and understandings between the Landlord and the Tenant. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them. Both parties intend and acknowledge that this Lease supersedes, replaces and merges all previous or concurrent agreements, arrangements and discussions, whether oral, written, customary or otherwise, regarding the Tenant's interest in the Leased Premises.

Force Majeure

25.5 Save as otherwise herein provided, in the event that the Landlord shall be delayed or hindered in or by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, vandalism, acts of terrorism or other reason of like nature not the fault of the Landlord, then performance of such act by the Landlord shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.



Notices

25.6 Any notice, demand, request or other instrument which may be or is required to be given under this Lease, shall be delivered in person or sent by registered mail postage prepaid and shall be addressed:

- (a) If to the Landlord:

C/o Colliers 1821 Scarth Street, Suite 200 Regina, SK S4P 2G9
Attention: Property Manager

- (b) If to the Tenant: Family Fitness Inc. cob as **Gold's Gym Regina**. 358 McCarthy Blvd, Regina SK S4R 7M2
Attention: Mr. Skye Kaiss

Tenant	Landlord
	

or at such other address as the Landlord or Tenant may designate by written notice. Any such notice, demand, request or consent shall be conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or if mailed, then on the third business day following the date of the mailing as the case may be, and either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder, provided that in the case of interruption in the ordinary postal service, any notice, demand, request or consent given hereunder shall be delivered and not mailed.

Financial Information

25.7 The Tenant shall, upon written request, provide the Landlord with such information as to the Tenant's financial standing and corporate organization as the Landlord or its Mortgagee may request, and the Tenant hereby authorizes the Landlord or its Mortgagee to make such credit checks as the Landlord or its Mortgagee may require. In furtherance of the foregoing, the Tenant shall execute any authorization addressed to any third party authorizing such third party to release information to the Landlord or its Mortgagee. In addition, the Tenant shall provide to the Landlord, a copy of its audited financial statements within 90 days of the end of the Tenant's fiscal year end. If requested by the Tenant, the Landlord shall enter into a confidentiality agreement with the Tenant on terms and conditions that shall be mutually satisfactory to the parties.

Section and Article Numbers

25.8 The captions, section numbers, article numbers and Table of Contents do not define, limit, construe or describe the scope or intent of the sections or articles.

Governing Law


25.9 This Lease shall be construed and governed by the laws of Canada and the Province in which the Building is located.

Time

25.10 Time shall be strictly of the essence herein.

No Partnership

25.11 The Landlord and the Tenant agree that nothing contained in this Lease nor any acts of the Landlord or the Tenant shall be deemed to create any relationship between the Landlord and the Tenant other than the relationship of landlord and tenant.

Tenant	Landlord
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No Waiver

25.12 No condoning, excusing or overlooking by the Landlord or the Tenant of any default, breach or non-observance by the Tenant or the Landlord at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a condoning, excusing or overlooking of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord or Tenant herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant save only expressed waivers in writing. All rights and remedies of the Landlord in this Lease contained shall be cumulative and not alternative.

Registration

25.13 Neither the Tenant, nor anyone on the Tenant's behalf, shall be entitled to file or register this Lease or any notice or caution indicating an interest in the Leased Premises and the Landlord shall not be obliged to deliver this Lease in registrable form. The Tenant shall have the right to register an interest registration outlining only the term of this Lease and any option to renew, with such interest registration not to have a copy of this Lease attached and not to contain any confidential information, including any information about the rent payable; provided, however, that the Tenant shall first obtain the Landlord's prior written approval to any such notice or caution it proposes to register as an interest registration (such approval not to be unreasonably withheld) prior to registration.

All Amounts Recoverable as Rent



25.14 All amounts payable by the Tenant under this Lease shall for the purposes of enforcement by the Landlord be deemed to be Rent and recoverable as Rent and the Landlord shall have all the rights and remedies against the Tenant for default in payment of any such amount as the Landlord has for default in payment of Rent.

Security Interest

25.15 As security for the payment of all Rent and other amounts payable by the Tenant to the Landlord hereunder, the Tenant hereby grants to the Landlord a security interest in all present and after-acquired personal property of the Tenant. The Tenant shall execute a general security agreement in the form of Schedule "F" hereto; the Landlord satisfaction.

Commissions

25.16 The Tenant shall pay any commissions, fees or other amounts payable to any agent or broker in connection with its leasing of the Leased Premises (other than an agent or broker with whom the Landlord has a formal agreement to pay commission) and hereby indemnifies the Landlord harmless from any such commissions, fees or amounts.

Tenant	Landlord
	

General Matters of Intent and Interpretation

25.17 (a) Each obligation under this Lease is a covenant.

(b) The use of the neuter singular pronoun to refer to the Landlord or the Tenant is a proper reference even though the Landlord or the Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The grammatical changes needed to make the provisions of this Lease apply in the plural sense when there is more than one Landlord or Tenant and to corporations, associations, partnerships or individuals, males or females, are implied.

(c) If a part of this Lease or the application of it to a person, corporation, firm or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, that part:

(i) is independent of the remainder of the Lease and is severable from it, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Lease; and

(ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any person, corporation, firm and circumstance except those as to which it has been held or rendered invalid, unenforceable or illegal.

No part of this Lease will be enforced against a person, corporation, firm, if, or to the extent that by doing so, the person, corporation, firm is made to breach a law, rule, regulation or enactment.



(d) The Landlord acts as agent for, or as trustee for, the Management Company, all Mortgagees and the Owners to the extent necessary to ensure that all exculpatory provisions and indemnities included in their favour in this Lease are enforceable against the Tenant by them, and by the Landlord.

(e) The preparation and submission of this document does not constitute a binding "Lease" by the Landlord. This document shall be open for execution by the Tenant until September, 30 2013, after which time it shall be deemed null and void. This Lease, if signed by the Tenant, shall be irrevocable by the Tenant for Twenty One (21) calendar days after the date the Tenant executes and delivers it to the Landlord. Upon acceptance by a Senior Management Officer of the Landlord and notification to the Tenant, this Lease shall then become binding on all parties to it. If this Lease is not executed by Senior Management Officer of the Landlord, then this Lease shall be null and void.

Schedule "C" - Special Provisions

25.18 The provisions set out in Schedule "C", which is attached hereto, form a part of and are incorporated into this Lease.


Option to Extend Term

Tenant	Landlord
	

25.19 The Tenant shall have the option to extend the Term on the terms and conditions set forth in Schedule "E" attached hereto, which forms part of and is incorporated into this Lease.

IN WITNESS WHEREOF the parties hereto have executed this Lease the day and year first above written.


BTA REAL ESTATE GROUP INC.
(Landlord)



Witness or Seal


Per: 
Authorized Signatory Senior Management

Per: 
Landlords Agent





Witness or Seal

Family Fitness Inc. (Gold's Gym Regina)
(Tenant)

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

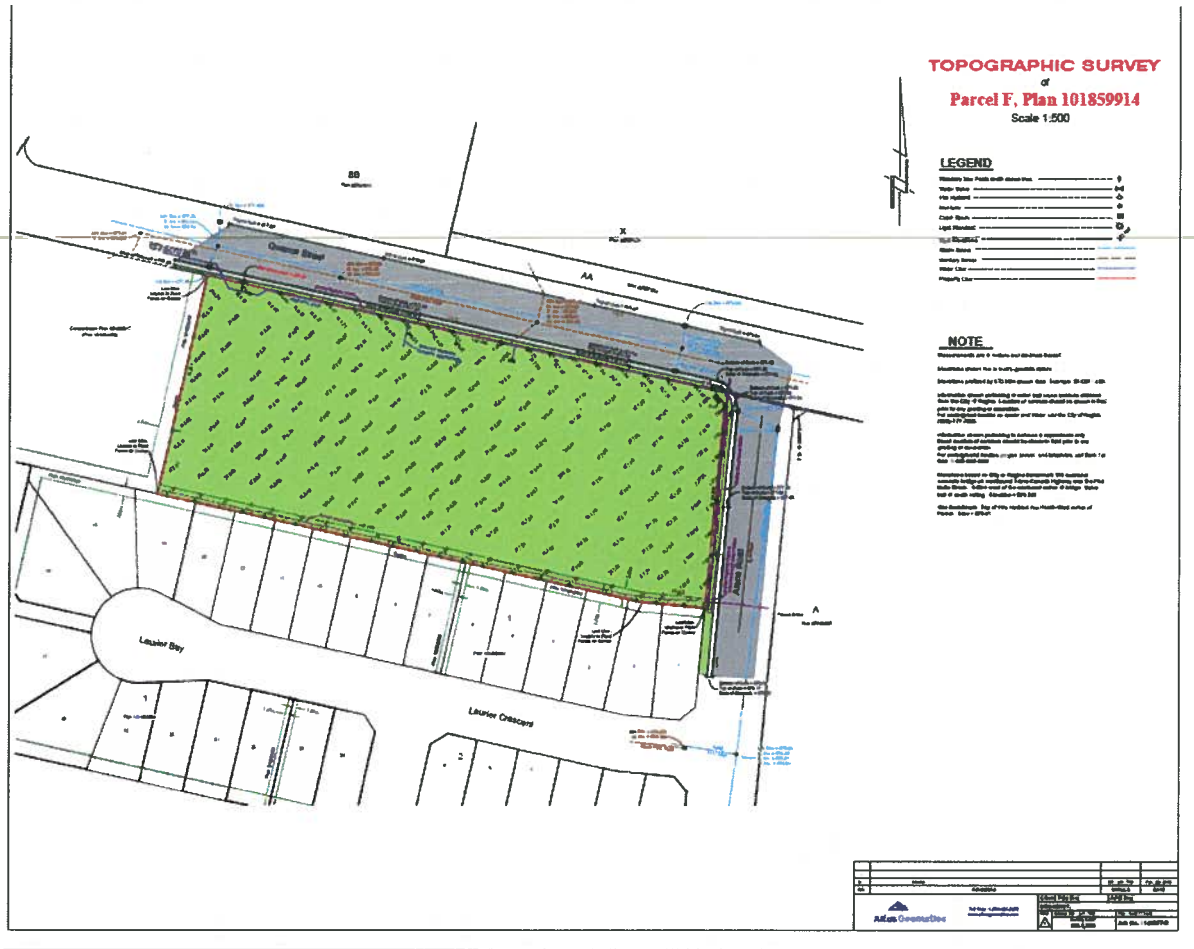
I/We have authority to bind the corporation.

Tenant	Landlord
	

SCHEDULE "A" – LEGAL DESCRIPTION

Surface Parcel # 153983076

Reference Land Description: Blk/Par FPlan No 101859914 Extension 0





Tenant	Landlord
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PROPOSED 1 STORY RETAIL BUILDING PHASE 2
TOTAL AREA: 50,000 SQ. FT.

SITE DEVELOPMENT PLAN
SCALE: 1/8" = 1'-0"

E. Arroyo Road

Tenant	Landlord
	

SCHEDULE "C" – SPECIAL PROVISIONS

I. LANDLORD WORK

Landlord's Work

1.01 The Tenant acknowledges and agrees that the Leased Premises comprise the whole of a building to be constructed by the Landlord on the Lands, which Lands comprise an entire surface parcel. Prior to the commencement of the Tenant's fixturing work the Landlord shall ensure that the Leased Premises are finished to a standard ready for Tenant finishes including:

1. Fully demised Leased Premises with appropriate entrance and exit. Exiting to meet Tenant's layout and building code requirements. Ceiling height to be a minimum of 14 feet clear to underside of Tenant installed finished ceiling.

2. Floors level and smooth and ready for Tenant finishes with a live load of 100 pounds per square foot and with a vibration factor which does not have any significant adverse effects on the intended occupancy of the building and any adjacent tenants and which meets municipal requirements.

3. Perimeter walls drywalled, taped, sanded and ready for Tenant finishes.



4. Heating, cooling (approx. 1 ton per 350 square feet) as per Army Core of Engineers and ASHRAE standards for health facilities. Number, location and size of HVAC units and HVAC system to be designed and specified by Tenant's engineers and accepted in writing by Tenant.

5. Sufficient separately metered electrical, water, gas and sanitary services to the Premises. Electrical service (400amps to 600amps/3 Phase) to be to a disconnect switch and meter cabinet, or equivalent, installed with utility meter prior to Tenant takeover. Cold water supply to be a minimum of 2 inches and sanitary drain to be 6 inches.

6. Landlord to provide structural components of interior stair and hand rail system to mezzanine according to specifications of the Landlord's architect in conjunction and consultation with the Tenants architect or designer.

7. Provide and install an elevator or wheel chair lift if required by the rules and/or regulations of the appropriate regulating authority having proper jurisdiction. The Landlord shall not at any time be responsible for providing and installing an elevator or wheelchair lift if not required by such appropriate regulating authority having proper jurisdiction prior to the commencement of the Tenant's work.

Landlord shall ensure that the Leased Premises meet building and fire code standards for Tenant's occupancy.

Tenant	Landlord
	

HVAC units shall be new and carry a Three (3) year warranty for major repairs. Landlord shall provide Tenant with a report from a qualified HVAC consultant to confirm the condition of the HVAC units at the Possession Date.

Structural items and all other work performed by the Landlord shall have a One (1) year warranty.

All mechanical/electrical and architectural design for leased Premises to be undertaken by Tenant's engineers and architects unless otherwise agreed in writing.

Fire alarm and sprinkler system to be operational to shell building with full verification documents as provided by the proper authority or the Landlord's engineer prior to Possession Date.

All of the above collectively referred to as the "Landlord's Work".

Leased Premises shall be ready for Tenant's work no later than the Possession Date, provided that if the Landlord shall be delayed in completion of the Landlord's Work for reasons beyond its reasonable control, the Possession Date shall be delayed by the length of such delay, and the Commencement Date and the last day of the Term shall be adjusted accordingly. The Landlord agrees to give the Tenant at least fourteen (14) calendar days' notice of any such delay.



II. TENANT'S ACKNOWLEDGEMENTS

2.01 Manual:

The Landlord shall provide the Tenant a Manual containing design criteria (the "Design Criteria") for the Tenant's Work as well as procedures, rules, and regulations (the "Manual") relating to the construction of Leasable Premises in the Development/Building and the Tenant agrees to comply with and to cause its contractors and sub-contractors to comply with the Manual in addition to the other requirements set out in this Schedule. The Landlord may waive any of the Design Criteria, or introduce additional or revised Design Criteria at any time.

For the purposes of the initial Tenant's Work within Twenty (20) Business Days of the execution of the Lease by both the Landlord, and the Tenant, the Tenant shall provide its "Plans/Drawings" to the Landlord. Subsequently after the approval of the Tenant's "Plans/Drawings" have been given by the Landlords, the Landlord shall provide to the Tenant the following as it pertains to the "Shell Building" only.

- (a) fully dimensioned floor plan of the Leased Premises;
- (b) all exterior elevations (as may be applicable) of the Lease Premises;

Tenant	Landlord
	

- (c) mechanical and electrical drawings complete with existing specifications to the "Shell Building" only; and
- (d) fire rating and complete construction materials for all walls, ceilings and roof construction

2.02 Access:

The Landlord shall be entitled to continue with its construction activities in the Leased Premises and in the Development and Building at all times, including the Fixturing Period.

2.03 Architect's Opinion:

The opinion in writing of the Architect is binding on both the Landlord and the Tenant respecting all matters of dispute regarding the Landlord's Work and the Tenant's Work, including the state of completion and whether or not work is completed in a good and workmanlike manner and in accordance with the Manual and this Schedule.

2.04 Liens:



The Tenant shall not allow any construction liens or other liens or encumbrances to be registered against or otherwise affect the Development, Building, lands or the Leased Premises, or any part of them, or the Landlord's or the Tenant's interest in the Leased Premises in respect of material supplied or work constituting part of the Tenant's Work, and if the Tenant fails to promptly discharge or cause any such lien to be discharged, then in addition to any other rights or remedies of the Landlord, the Landlord may, but shall not be obliged to, discharge the lien by paying the amount claimed into court or directly to the lien claimant, and the amount so paid and all costs and expenses (including the legal fees and expenses) plus interest at the rate of five percentage points (5%) in excess of the Prime Rate, calculated daily and compounded monthly, shall be immediately due and payable by the Tenant to the Landlord on demand as Additional Rent.

III. LANDLORD'S WORK

3.01 Other than the Landlord's Work provided for in Section 1.01 of this Schedule "C", the Tenant acknowledges and agrees that it is accepting possession of the Leased Premises in "as is where is" condition and agrees that the Landlord shall not be required to perform any work in the Leased Premises.

IV. TENANT'S WORK

4.01 The Tenant shall provide and carry out Tenant's Work strictly in accordance with this Schedule. All additional equipment, materials, and work in excess of the Landlord's Work required to be performed in order to render the Leased Premises complete, is subject to the Landlord's approval and must comply with the National Building Code and other regulations and is to be undertaken by the Tenant, at its expense. This work includes, but is not limited, to the following without limitation:

Tenant	Landlord
	

(a) Interior Finishes:

Floor coverings, ceilings, wall coverings, interior partitioning, painting, provision for access, equipment, fixtures and furnishings, show window enclosures, display platforms, special wall or ceiling finishes, vertical and horizontal transportation equipment, security vaults, sound insulation, smoke baffle and refrigeration equipment as may be required by law or the Landlord.

Where fire rating is required, the Tenant shall be responsible for the proper completion of such work, so as to comply with the rules and regulations, practices and code requirements.

(b) Signage:

All illuminated signs shall be wired directly to the Tenant's panel.



(c) Electrical:

The Tenant shall arrange, obtain, supply, install and pay for the following:

- (i) permits and inspection fees;
- (ii) when applicable, all transformers, meters, panels, lighting fixtures, lamps, wiring and devices;
- (iii) exit signage, emergency lighting and battery packs;
- (iv) any new or relocation of fire alarm pull-stations, smoke detector, heat detector or signaling device shall be done by the Landlord's contractor and paid for by the Tenant;
- (v) the Tenant shall not alter, move, remove or interfere with the Building/Development services in any way without the written approval of the Landlord;
- (vi) all Tenant electrical drawings must include signed professional engineer's seal.

(d) Heating Ventilating and Air Conditioning:

The Tenant shall install air conditioning, heating and ventilation distribution systems as required by connecting to the HVAC rooftop units provided by the Landlord and as approved by the Landlord. Additional costs resulting from requirements for any changes in the system, the provision of upgrading, furnishing of make-up air, any exhaust or any special conditions are to be undertaken by the Tenant, at its expense.

Tenant	Landlord
	

Roof openings for all Tenant supplied equipment shall be made by the Landlord's contractor, at the Tenant's expense.

Air Balance Report, to comply with the city's requirements, shall be submitted to the Landlord upon completion of work.

If the Tenant's use of the Leased Premises involves the preparation and processing of food that requires a kitchen exhaust hood, the Tenant shall install, at its expense, and as approved by Landlord, adequate equipment to contain and filter grease and oil, so that grease and oil does not become deposited on the roof. The Tenant shall also obtain regular maintenance services for this equipment.

(e) Sprinklers and Fire Protection:

Sprinkler distribution and heads shall be installed within the Leased Premises as required to maintain the overall fire rating of the Building. Tenant system shall include hydraulic calculations, as well as all facilities and equipment such as fire extinguishers required by any authority having jurisdiction there over.

Certified drawings and documentation for fire protection, confirming the city's requirement shall be submitted to the Landlord for approval.

(f) Plumbing:

Distribution of supply and waste plumbing lines and fixtures required by the Tenant to serve its own Leased Premises. If the Landlord deems it necessary, the Tenant shall arrange and pay for the installation of a check water meter. If, in the opinion of the Landlord, or of the Authorities Having Jurisdiction, that the wastewater is unfit for direct connection to the sanitary system, an interceptor system shall be provided.

(h) Structural:


The following restrictions and requirements and apply:

(i) Floor loads:

The Tenant shall not impose upon any floor area a greater load then the designed live capacity for the Building of one hundred (100) pounds per square foot uniformly distributed.

(ii) Suspended Loads:

No suspended loads are permitted other than the normal ceiling and lighting from the underside of any floor; roof or ceiling structures or

Tenant	Landlord
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assemblies of the Building without the prior written approval of the Landlord. No suspend loads shall be permitted from roofs, steel deck, ducts, pipes or conduits.

(iii) Roof:

The Tenant shall not enter, nor shall it permit those for who it is in law responsible, or its contractors, or their employees or agents, to enter onto the roof of the Building or make any openings in the roof. Neither the Tenant nor its contractors or subcontractors shall drill or cut openings for conduits or pipe sleeves, or chase for ducts or equipment in the floors, columns, wall, ceilings, roof or structure of the Building or shall they vary or alter in any manner whatsoever any plumbing, electrical systems or HVAC systems of the Building or any other components whether or not located within the Lease Premises. The Landlord's forces, at the Tenant's expense, if approved by the Landlord, shall perform any such work required by the Tenant.

(iv) Additional Requirements:

Any other additional requirements imposed by any authority having jurisdiction thereover or requirements of the Tenant other than those specified in this Schedule as Landlord's Work.



V. SCHEDULE FOR TENANT'S WORK

5.01 Tenant's Plans:

Within forty-five (45) calendar days after the Tenant receives the Manual and the Landlord's Outline Drawings for the Leased Premises, the Tenant shall provide to the Landlord the plans, drawing, specifications and other information (the "Tenant's Plans") detailed in the Manual, For the purposes of the Tenant's Work, the Tenant will abide by the timeframes set out in the Lease in respect of submission to the Landlord of its plans, drawings and specifications.

5.02 Commencement of Tenant's Work:

When the Fixturing Period has started and the Tenant has satisfied the Landlord's requirements in accordance with Section 6.01 below, the Tenant shall proceed immediately to complete the Tenant's Work.

Tenant	Landlord
	

VI. HOARDING

6.01 Should the Tenant fail to install storefront hoarding suitable for the Building of in accordance with the Landlord's Design Criteria the Landlord shall install storefront hoarding suitable for the Building, at the Tenant's expense as additional rent payable on demand.

VII. LANDLORD'S REQUIREMENTS FOR TENANT'S WORK

7.01 Requirements Prior to Commencement of Tenant's Work - The Tenant shall before entering the Leased Premises for any purpose:

(a) Landlord's Approval of Tenant's Drawing and Specifications:

Within ten (10) Business Days of receipt thereof, the Landlord shall notify the Tenant either of its approval or of its disapproval of the Tenant's preliminary plans, drawings and specifications and may indicate any specific changes required by it. The Tenant shall then promptly prepare and submit to the Landlord, within ten (10) Business Days following notice of the disapproval, no less than three (3) sets of complete drawings and specifications amended as required by the Landlord. If the Tenant fails to submit complete drawings and specifications within the times stated in this Schedule the Landlord may, by notice in writing, terminate the Leases, without legal proceedings and without prejudice to any of the Landlord's other rights and remedies and all amounts paid by the Tenant to the Landlord shall be forfeited on the termination, however, the Landlord must provide the Tenant with an extension of time (no longer than ten (10) additional days) for submitting such complete drawings and specifications so long as an extension is reasonably necessary in the circumstances. The Landlord shall provide the Tenant with written approval of the Tenant's final drawings and specification within ten (10) Business Days of receipt thereof.



(b) Tenant's Insurance:

The Tenant before entering on the Leased Premises for any purpose, shall provide the Landlord with a certificate of insurance on the Landlord's standard form, duly executed by the Tenant's insurers, evidencing that the insurance required to be placed by the Tenant pursuant to the Lease is in force.

(c) Tenant's Contractors:

The Tenant shall employ a general contractor who shall be responsible for all construction within the Leased Premises, including the contracting and co-ordination of all trades. All work on or in respect of the Leased Premises, shall be performed by competent local workmen.

(d) Workers' Compensation Clearances:

Tenant	Landlord
	

The Tenant shall provide to the Landlord prior to commencing any work in respect of the Leased Premises, a current clearance certificate issued pursuant to the workers' compensation act of the Province in respect of the contractor and every sub-contractor which the Tenant proposes to employ or to permit to do work in respect of the Leased Premises and the Tenant shall not permit any contractor or sub-contractor to do work in respect of the Leased Premised except for those for which the clearance certificate has been provided.

(e) Tenant's Permits:

The Tenant shall provide evidence satisfactory to the Landlord prior to commencing any work in respect of the Leased Premises that the Tenant has obtained at its expense, all necessary consents, permits, licenses and inspections from all governmental and regulatory authorities having jurisdiction and shall post permits when required by law. Should the Tenant fail to obtain any required consent, permit license, inspection or certificate, the Landlord may but not be obligated to, obtain it on behalf of the Tenant at the Tenant's expense.



(f) Garbage Removal:

The Tenant and or its contractor shall arrange for and pay for all costs related to the removal from the Building all excess materials, trash and cartons caused by the renovation/improvements and initial stocking of the Leased Premises. Where local authorities require the separation of different garbage material the Tenant shall dispose of them as directed by the authorities. Should the Tenant fail to comply with this requirement the Landlord, at its options may proceed to have the garbage removed, and the Tenant shall pay the Landlord, on demand, the cost of removal together with an administration fee of fifteen percent (15%) of such costs.

7.02 Requirements for Performance of Tenant's Work:

In the performance of the Tenant's Work, the Tenant shall:

- (a) after satisfying all requirements of Section 6.01 of this Schedule, but not before, proceed to complete the Tenant's Work in good and workmanlike manner using new material, the whole to the Landlord's satisfaction and in conformity with the Manual and the Tenant's plans as approved by the Landlord. Mediocre or inferior materials or workmanship shall be replaced by the Tenant at its expense, with materials or workmanship of first-class quality, to the Landlord's satisfaction;
- (b) retain one (1) set of the Tenant's plans with the Landlord's approval endorsed on them at all times on the Leased Premises during the period when the Tenant's Work is being performed;
- (c) indemnify the Landlord against any loss, costs or expenses arising from labour disruptions attributable to workers employed by the Tenant, its contractors, or sub-contractors, or to their activities; and



Tenant	Landlord
	

(d) permit the Landlord, without prejudice to the Landlord's other remedies, at the Tenant's expense, to remove any Tenant's Work undertaken without the Landlord's prior written approval and to restore the Leased Premises to their prior condition, the Tenant shall pay the Landlord, on demand, the cost of removal together with an administration fee of fifteen percent (15%) of such costs.

7.03 Requirements After Performance of Tenant's Work:

The Tenant shall, upon completion of the Tenant's Work and when requested by the Landlord:

- (a) provide the Landlord with a statutory declaration (the "Declaration"):
 - (i) stating that the Tenant's Work has been performed in accordance with all of the provisions of the Manual and this Schedule and that all deficiencies, (if any), which the Landlord has brought to the Tenant's attention have been corrected;
 - (ii) stating that there are no construction, builders, mechanics, Workmen's Compensation or other liens or encumbrances affecting the Leased Premises or Building/Development in respect to work, services or materials relating to the Tenant's Work; and that all accounts for work, services and materials have been paid in full with respect to all the Tenant's Work;
 - (iii) confirming the date on which the last such work was performed or provided materials were supplied; and
- (b) provide to the Landlord an itemized list showing the cost actually expended by the Tenant for completion of Tenant's Work;
- (c) provide the Landlord with a clearance certificate issued under the Workmen's Compensation Act of the province in respect of each contractor and sub-contractor listed on the Declaration;
- (d) obtain and provide to the Landlord a copy of every occupancy license and other permit which may be required by any governmental or other regulatory authority having jurisdiction, to permit the Tenant to open for business;
- (e) provide to the Landlord a certificate of substantial performance in the form prescribed by The Builder's Lien Act (Saskatchewan), in respect of each contract entered into by or on behalf of the Tenant in connection with The Tenant's Work;

Tenant	Landlord
	

(f) one set of drawings documenting "as built" conditions and representing existing conditions; and

(g) a certificate from the designer and mechanical and electrical engineers, certifying that the Tenant's Work has been carried out in accordance with the plans and specification approved by the Landlord and its representatives; if the Tenant does not provide such certification to the Landlord within twenty (20) calendar days of completion of such installations, the Landlord shall be entitled, at the Tenant's expense, to engage its own experts for the purpose of verifying whether such work has been performed in accordance with the approved plans and specifications; and the Landlord shall be entitled to take whatever remedial measures may be required to make such work comply with the approved plans and specifications and all charges and costs incurred by the Landlord in carrying out such work, plus a supervision charge of twenty percent (20%), shall be payable by the Tenant as Additional Rent forthwith on demand.

All Tenant's Work shall comply with all applicable laws, building codes, permits and approvals for the work and shall comply also with the requirements of the Landlord's insurers and the requirements of the Landlord. If the Tenant is in default of this obligation and does not correct the default within the time period required by the authority or insurer, the Landlord may (but shall not be obligated to) cure the default and all charges and costs incurred by the Landlord shall be paid to Landlord by the Tenant together with an administration fee equal to fifteen percent (15%) of those charges and costs, as Additional Rent forthwith on demand.



7.04 Prior to Opening for Business:

The Tenant is required to satisfy the Landlord that all work has been completed in accordance with the approved plans and specifications. The Tenant must also receive written approval prior to opening. Failure to complete work properly shall disqualify the Tenant from opening. Opening shall be at the Landlord's discretion.

7.05 Tenant to Advise Landlord of Opening Date:

The Tenant is to advise the Landlord of the opening date a minimum of two (2) Business Days prior to the actual opening of the store.

VIII. PAYMENT SCHEDULE

Tenant	Landlord
	

8.01 (a) Any equipment or work, other than that stipulated as the Landlord's Work, which is supplied or performed by the Landlord at the request of the Tenant, or any excess or additional cost in the Landlord's Work occasioned by the Tenant's requirements or revisions to such requirements, shall be paid for by the Tenant as Additional Rent within fifteen (15) calendar days after the receipt of a request for it.

(b) The cost of the equipment or work shall include (in addition to direct labour, materials and applicable taxes) architectural, engineering and contractors fees; any costs to the Landlord which are attributable to changes to the Landlord's Work requested by the Tenant after approval of the Tenant's plans by the Landlord, and an additional overhead charge for the Landlord's supervision equal to fifteen percent (15%) of the aggregate costs of the equipment and work.

IX. TENANT ALLOWANCE

9.01. The Landlord shall pay the Tenant a one-time only amount of Forty Five Dollars (\$45.00), per square foot of the Lease Premises (the "Allowance"), plus GST, in order to assist the Tenant in making the necessary improvements in the Leased Premises. Provided the Tenant is not in default, the Allowance shall be payable by the Landlord to the Tenant as follows:

(a) Thirty percent (30%) shall be paid within 30 calendar days of the Possession Date provided that the Tenant's Work has commenced in accordance with the provisions of this Offer; and

(b) Thirty percent (30%) shall be paid within 60 calendar days of the Possession Date provided that the Tenant's Work is proceeding in accordance with the approved Tenant's Plans; and



(c) Thirty percent (30%) shall be paid within 90 days of the Possession Date provided that the Tenant's Work continues to proceed in accordance with the approved Tenant's Plans; and

(d) The balance shall be paid within 30 calendar days of the latest to occur of:

(i) the Tenant has commenced its business operations in the whole of the Leased Premises;

(ii) the Lease is fully executed by both the Landlord and the Tenant;

(iii) the Tenant has delivered to the Landlord a statutory declaration as satisfactory evidence stating that the accounts of all contractors and subcontractors and all others employed or engaged in the completion of the Tenant's Work have been

Tenant	Landlord
	

paid and that no liens of any kind have or could be claimed by any of such persons in respect thereto; and

- (iv) the Tenant has provided the Landlord with a statement verifying that the Allowance payable by the Landlord to the Tenant was Less than the Total cost of Leasehold Improvements installed as part of the Tenant's work in the Leased Premises, or, if such is not the case, then the Tenant will provide a statement indicating the total cost of Leasehold Improvements installed as part of the Tenant's Work in the Leased Premises.

The landlord shall not be obligated to pay the Allowance (or any instalment thereof) if at the time the Allowance (or any instalment thereof) becomes due and payable the Tenant is in default of any of its obligations under this Offer (and the Lease arising herefrom). The Landlord shall not be obligated to pay the Allowance (or any installment thereof) unless and until all such defaults have been remedied by the Tenant and the Tenant shall have brought this Offer (or the Lease arising herefrom) in good standing.



The Landlord shall be entitled, but not required, to set-off or otherwise apply against the Allowance any amounts which are due and payable by the Tenant to the Landlord under the Lease.

X. FREE RENT

10.01 The Tenant shall not be required to pay Minimum Rent during the first Two (2) months of the Term (the "Rent Free Period") but shall remain obligated to pay Additional Rent (the "Operating Costs") during the Rent Free Period, subject to Section 3.3 of the Lease.

XI. FIXTURING PERIOD

11.01 The Tenant shall have a period of Five (5) calendar months from the Possession Date to complete the Tenant's Work in the Leased Premises (the "**Fixturing Period**"); provided, however, that the Tenant shall make every reasonable effort to achieve the completion of fixturing as early as possible. All Rent shall abate during the Fixturing Period and the Tenant shall only be responsible for the payment of those utilities consumed in the Leased Premises during the Fixturing Period. All other terms and provisions, to the extent applicable during the Fixturing Period, shall apply.

Tenant	Landlord
	

XII. TENANT FINANCING

12.01 The Tenant may finance or otherwise encumber or enter into conditional sales contracts on its gym equipment on the Leased Premises without the consent of the Landlord and the Landlord shall execute waivers required by the Tenant's financial institute or venders as required by the Tenant. The Tenant shall not transfer the Lease to any financial institute nor shall it finance or otherwise encumber the leasehold improvements in the Leased Premises.

XIII. EXCLUSIVITY



13.01 The Landlord will not during the Term of this Lease or during any renewal or extension of the term, permit or allow any other part of the Centre to be used for the purpose of a men's and/or women's or children health club/gym, fitness facility, yoga studio or gymnastics facility, or any business that includes the word "gym" in its name. Should the Landlord breach this exclusive, all Rent shall abate and the Tenant shall only be required to pay Additional Rent as set out herein.

XIV. PYLON SIGNAGE

14.01 If available, the Tenant shall be allowed space on the existing pylon sign(s) at rental to the Landlord of One Dollars and Fifty Cents per square foot (\$1.50) per side on monthly bases. The Tenant shall be granted an option to place its signage at its own expense on any and all pylon sign(s) when space becomes available or additional pylon signs are erected.

XV. BUILDING SIGNAGE

The Tenant shall be allowed, at its sole cost and subject to review and acceptance by the Landlord acting reasonably, to install the quasi 3-dimensional standard Gold's Gym signage on the storefront and all interior and/or exterior entrances of the Leased Premises in accordance with the Tenant's plans and specifications. The Tenant shall supply to the Landlord, at its expense, plans and specifications for the Tenant's signage. The Tenant shall be permitted, subject to



Tenant	Landlord
	

municipal and Landlord approvals, to install Tenant's signage on the sides of the Building in relation to the Tenant's occupied Leased Premises. There shall be no signage rental paid by the Tenant to the Landlord.

XVI. CONDITIONS PRECEDENT



16.1 Notwithstanding anything contained in this Lease to the contrary, the obligation of the Landlord to lease the Leased Premises to the Tenant on the terms and conditions provided for herein shall be subject to the fulfillment of the following conditions precedent (the "**Landlord's Conditions**"), each of which conditions shall be satisfied or waived by the Landlord on or before the date that is applicable to each such condition (each a "**Condition Satisfaction Date**") and the Tenants covenants that it shall use its best efforts to ensure that such conditions are fulfilled to the extent that such best efforts are required for the fulfillment of such conditions:

-
- (a) Concurrently with the execution of this Lease by the Tenant, the Tenant shall have executed a general security agreement in favour of the Landlord in the form of Schedule "F" attached to the Lease;
- (b) Concurrently with the execution of this Lease by the Tenant, each of the following individual(s) and corporations shall have executed an indemnity agreement in favour of the Landlord in the form of Schedule "G" to the Lease:
- Said (Skye) Kaiss
- (c) Concurrently with the execution of this Lease, to secure the performance of his obligations under the indemnity agreement between the Landlord and Skye Kaiss; shall have executed a general security agreement in favour of the Landlord in the form of Schedule "F" attached to the Lease.
- (d) The Landlord shall have obtained all permits, approvals, or consents that may be required from any federal, provincial or municipal authority in order for the Landlord to develop the Lands and commence construction of the Leased Premises;
- (e) On or before September 30, 2013 the Landlord shall have obtained approval from a lender (the "**Bank**") of its choice (at its sole discretion) to finance the construction of the Leased Premises on terms and conditions satisfactory to the Landlord (at its sole discretion);
- (f) The Tenant upon execution of the Lease shall provide to the Landlord on an annually bases a minimum of 7 individual one year memberships (of the standard variety); notwithstanding any additional fees or charges, throughout the term of the lease. The

Tenant	Landlord
	

Landlord will have the right but not the obligation to assign individual memberships to whomever it may choose to do so without discrimination and or objection from the Tenant. Furthermore the Tenant holds harmless the Landlord of any and all issues related to the individuals assigned memberships to the Tenants facility or faculties by the Landlord

16.2 The conditions contained in Section 16.1 of this Schedule “C” are inserted for the exclusive benefit of the Landlord and may be waived in whole or in part by the Landlord at any time. The Tenant acknowledges that the waiver by the Landlord of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by the Tenant that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in Section 16.1 of this Schedule “C” are not fulfilled or complied with as herein provided, the Landlord may, at or prior to the applicable Condition Satisfaction Date, rescind this Lease by notice in writing to the Tenant and in such event the Landlord shall be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Tenant, then the Tenant shall also be released from all obligations hereunder.

Tenant	Landlord
	

SCHEDULE "D" – RULES AND REGULATIONS

The Tenant shall observe the following rules and regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):


1. The Tenant shall not use or permit the use of the Leased Premises in such manner as to create any objectionable noises, odours or other nuisance or hazard, or breach any applicable provision of municipal by-law or other lawful requirement applicable thereto or any requirement of the Landlord's insurers, shall not permit the Leased Premises to be used for cooking (except with the Landlord's prior written consent, which shall not be unreasonably withheld), or for sleeping, shall keep the Leased Premises tidy and free from rubbish, shall deposit rubbish in receptacles which are either designated or clearly intended for waste and shall leave the Leased Premises at the end of each business day in a condition such as to facilitate the performance of the Landlord's janitor services in the Leased Premises.

2. The Tenant shall not abuse, misuse or damage the Leased Premises or any of the improvements or facilities therein, and in particular shall not deposit rubbish in any plumbing apparatus or use it for other than the purpose for which it is intended, and shall not deface or mark any walls or other parts of the Leased Premises or the Building.

3. The Tenant shall not perform, patronize or (to the extent under its control) permit any canvassing, soliciting or peddling in the Building, shall not install in the Leased Premises any machines vending or dispensing refreshments or merchandise and shall not permit food or beverages to be brought to the Leased Premises except by such means, at such times and by such persons as have been authorized by the Landlord. The Tenant shall be entitled to equip and provide food and beverages to its employees' lunchroom from time to time.

4. The Common Areas and Facilities are for use only for access to the Leased Premises and other parts of the Building, and the Tenant shall not obstruct or misuse such facilities, or permit them to be obstructed or misused by its agents, employees, invitees or others under its control. The Landlord shall have the right to control and operate the Common Areas and Facilities in such manner as it deems best for the benefit of the tenants of the Building generally. The Tenant shall not invite to the Leased Premises or permit the visit of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the Common Areas and Facilities by other tenants of the Building.

5. No safe or heavy office equipment shall be moved by or for the Tenant unless the consent of the Landlord is first obtained and unless all due care is taken. Such equipment shall be moved upon the appropriate steel bearing plates, skids or platforms and subject to the Landlord's direction, and at such times, by such means and by such persons as the Landlord shall have approved. No furniture, freight or bulky matter of any description shall be moved in or out of the Leased Premises or carried in the elevators of the Building except during such hours as the Landlord shall have approved, and the Tenant will assume full responsibility for any damage occasioned to the elevators, passageways, staircases, doorways, windows, etc. as a result of such moving. Hand

Tenant	Landlord
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trucks and similar appliances shall be equipped with rubber tires and other safeguards approved by the Landlord, and shall be used only by prior arrangement with the Landlord.

6. The Tenant shall permit and facilitate the entry of the Landlord, or those designated by it, into the Leased Premises for the purpose of inspection, repair, window cleaning and the performance of other janitor services and shall not permit access to main header ducts, janitor and electrical closets and other necessary means of access to mechanical, electrical and other facilities to be obstructed by the placement of furniture or otherwise.

7. The Landlord has the right to require that all or any persons entering and leaving the Building at any time other than during Normal Business Hours satisfactorily identify themselves and register in books kept for the purpose, and may prevent any person from entering the Leased Premises unless provided with a key thereto and a pass or other authorization from the Tenant in a form satisfactory to the Landlord, and may prevent any person removing any goods therefrom without written authorization.



8. Windows that reflect or admit light into the premises of the Tenant will not be covered or obstructed, and no awning will be put up over any window without the Landlord's consent. The Tenant will permit window cleaners to clean office windows in the Leased Premises during or after Normal Business Hours. The Tenant will not place anything on the Building windows or projections, and will not throw anything out of the windows or doors or down the passages or skylights of the Building. The lining of all window coverings facing the interior surface of exterior windows will be subject to the Landlord's consent as to colour, material and type. The Tenant will not hang, and will remove, any window coverings that, in the Landlord's opinion, do not conform to a uniform scheme of window coverings established for the Building.

9. Elevator doors shall not be held open while conversations are carried on.

10. During peak periods, the elevators shall be used for transporting passengers only and during these periods no large deliveries or items of equipment shall be permitted onto the elevators and the doors shall be permitted to remain open only long enough to enable passengers to step on or off the elevator cab. For the purposes of this rule, peak periods are considered as between the hours of 8:00 a.m. and 9:30 a.m. in the morning; between 12:00 noon and 2:00 p.m. in the afternoon and between 4:00 p.m. and 5:30 p.m. in the afternoon.

11. Prior arrangements must be made with the Landlord when elevators are to be used for carrying freight, furniture, etc. The elevators must not be used for this purpose until the Landlord has given its permission and the elevator cabs have been properly protected.

12. No telephone, fibre optic, electronic, wire service or other communication or electric wiring, shall be made in places other than those designated by the Landlord or without the authority of the Landlord who will direct the electricians or other workmen as to where and how many wires or equipment are to be introduced and without any such directions, no boring or cutting or otherwise will be permitted.

Tenant	Landlord
	

13. The Tenant shall not place or cause to be placed any additional locks upon any doors of the Leased Premises without the approval of the Landlord and subject to any conditions imposed by the Landlord. Two keys shall be supplied to the Landlord for each entrance door to the Leased Premises and all locks shall be standard to permit access to the Landlord's master key. If additional keys are requested, they must be paid for by the Tenant. No one, other than the Landlord's staff, the Tenant's staff and designated trades will have keys or access cards to the outside entrance doors of the Building. Notwithstanding the foregoing, the Tenant shall be entitled to reserve unto itself certain areas of the Leased Premises to which the Landlord shall not have access without the consent and supervision of the Tenant.

14. The Tenant will not bring into or keep in the Leased Premises or the Building any bicycles, vehicles, animals, birds, or other pets.

15. The Tenant shall not cause or permit any obscene or offensive sign, picture, advertisement, notice, lettering, flag, decoration or direction to be painted, displayed, inscribed, placed, affixed or maintained in or on any windows or doors of the Building nor anywhere else on or in the Building without the prior written consent of the Landlord, but shall be able to place or affix such media to its windows dealing with ordinary advertising, hours of operation and the like without consent.



16. The Tenant may have its name shown upon the Building's directory board, but the Landlord may design the style and regulate the content of such identification and allocate the space on the directory board for the Tenant.

17. The Tenant and its employees shall not use or have access to the roof of the Building or any parts of the Building reserved for mechanical equipment, janitor's supplies or storage.

18. Any services or supervision the Landlord provides under these regulations to the Tenant will be additional services and the Tenant shall pay the Landlord's costs therefore, as Additional Rent.

19. The Tenant will use the Building name that the Landlord designates from time to time, but not for any purpose except its business address.



20. Smoking is not allowed in any part of the Building, including the Leased Premises, the Common Areas and Facilities, or within 15 metres from any entrance of the Building.

Tenant	Landlord
	



SCHEDULE "E" – OPTION TO EXTEND TERM

Provided the Tenant is in possession of and is conducting its business in the whole of the Leased Premises and has regularly paid all Rent as and when due and has otherwise observed and performed all of its terms, covenants and conditions as set out in the Lease and is not then in default, the Landlord then shall grant to the Tenant the right to extend the Term of the Lease from the completion of the original Term for two (2) consecutive period of 5 years (the "Extended Term") subject to the following additional terms and conditions.

- (a) The Tenant shall give to the Landlord written notice of the Tenant's intention to extend the Term of the Lease not more than two hundred and seventy (270) calendar days and not less than one hundred and eighty (180) calendar days prior to the date of completion of the original Term of the Lease.
- (b) The Extended Term shall be based upon the same terms and conditions as contained in the Lease, save and except for Minimum Rent and that there shall be no further right of extension, rent free periods, rental concessions, inducements, allowances or any other similar items that may have been applicable during the initial Term.
- (c) The Minimum Rent for the Extended Term shall be fair market rent for similar premises in similar buildings in the same geographic area as the Building, prevailing at the beginning of the Extended Term, to be fixed by mutual agreement in writing between the Landlord and the Tenant not more than one hundred and eighty (180) calendar days and not less than thirty (30) calendar days prior to the date of completion of the original Term. If the Landlord and Tenant are unable to agree in writing on the Minimum Rent for the Extended Term on or before the date that is thirty (30) calendar days prior to the date of completion of the original Term, the amount of Minimum Rent shall be determined by arbitration by a single arbitrator pursuant to *The Arbitration Act, 1992* (Saskatchewan). Until the arbitrator makes its award, the Tenant shall pay Minimum Rent during the Extended Term at the amount determined by the Landlord as representing fair market rent, and the appropriate adjustments will be made upon the arbitrator making its award.
- (d) The Minimum Rent for any year of the Extended Term, whether determined by mutual agreement or by the award of an arbitrator, shall in no event be less than that payable in the last year of the Proceeding Term.

Tenant	Landlord
	

- (e) The Landlord has no obligation whatsoever to perform any Landlord's Work or to pay any commissions, fees, charges or expenses on behalf of the Tenant at the commencement of the Extended Term.
 - (f) The exercise of the Tenant's intention to exercise its extension of the Term of the Lease is the sole responsibility of the Tenant and the Tenant hereby acknowledges and agrees that nothing in the Lease obligates or requires the Landlord to advise or otherwise notify the Tenant with respect to the extension of Term of the Lease.
 - (g) If the Tenant fails to provide the Landlord with proper notice of its intention to extend the Term of the Lease as required hereinbefore, the Lease then shall terminate at the completion of the original Term as provided otherwise in the Lease and the Tenant shall have no right of extension whatsoever.
-

Tenant	Landlord
	

SCHEDULE "F" - GENERAL SECURITY AGREEMENT

BETWEEN:

_____,
a corporation under
The Business Corporations Act (Saskatchewan)
(the "Debtor")

OF THE FIRST PART

AND:

BTA REAL ESTATE GROUP INC.,
a corporation under
The Business Corporations Act (Saskatchewan)
(the "Secured Party")


OF THE SECOND PART

1. Grant of Security Interest

In consideration of the sum of Ten (\$10.00) Dollars and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Debtor), the Debtor hereby grants to the Secured Party a security interest (the "Security Interest") in the property of the Debtor described in Section 2 hereof (the "Collateral") as a general and continuing collateral security for the payment and performance of all present and future obligations, indebtedness and liabilities of the Debtor to the Secured Party from time to time outstanding (the "Obligations").

2. Description of Collateral

- a) all personal property of the Debtor, now owned or hereafter acquired;
- b) all property in any form derived directly or indirectly from any dealing with the property described in Subsection 2(a) or that indemnifies or compensates for such of the said property as is destroyed or damaged; and
- c) if a Schedule A is attached, the personal property described in Schedule A attached to this Security Agreement.

Tenant	Landlord
SH	

2. **Attachment of Security Interest**

The parties hereto hereby acknowledge that value has been given by the Secured Party to the Debtor and that no further value need be given for the Security Interest to attach to the Collateral. The Security Interest created by this Security Agreement shall attach to existing collateral when this Agreement is signed and delivered to the Secured Party and shall attach to after-acquired Collateral immediately upon the Debtor acquiring rights in such Collateral. The parties do not intend to postpone attachment of any Security Interest created by this Agreement.


3. **Last Day of Leases, etc.**

It is hereby declared that the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by or for the Debtor and subjected or required to be subjected hereto is expressly excepted and excluded out of the Collateral and does not form part of same, but the Debtor shall stand possessed of the reversions remaining in the Debtor of any such leasehold interest for the time being devised as aforesaid upon trust for the Secured Party for the purposes of this Agreement, and shall assign and dispose of same as the Secured Party shall direct.

5. **Representations, Warranties & Covenants of Debtor**

The Debtor hereby represents and warrants to and covenants with the Secured Party that it:

- a) is or, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral free from any mortgage, lien, charge, encumbrance or security interest other than permitted encumbrances as defined in section 25 hereof;
- b) shall pay when the same become payable and keep the collateral free from all rents, taxes, assessments, claims, liens and encumbrances and shall promptly notify the Secured Party of any loss or damage to the Collateral or any part thereof;
- c) shall observe and perform all of his obligations under any leases, licences and other agreements to which it is a party and under the requirements of all governmental authorities to which it is subject in order to preserve and protect the Collateral;
- d) shall keep the Collateral in good, order, condition and repair;

Tenant	Landlord
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- e) shall not use the Collateral in violation of any other agreement relating to it or of any policy of insurance insuring it or of any applicable statute, law, by-law, regulation, rule or ordinance;
- f) shall from time to time forthwith on request furnish to the Secured Party in writing all information requested relating to the Collateral or any part thereof, and shall permit a representative of the Secured Party at any reasonable time from time to time to inspect the Collateral and for that purpose to enter the Debtor's premises and any other location where the Collateral may be situated, and will pay the reasonable expenses of the Secured Party incurred thereby, including without limitation the reasonable remuneration and expenses of any person engaged by the Secured Party for such purpose; and
- g) shall pay all reasonable costs and expenses (including without limitation reasonable legal fees on a solicitor and his own client basis) of the Secured Party incurred with respect to the taking, recovering, collecting, processing, retaining, realizing or disposing of the Collateral or any part thereof and in any other proceedings taken for the purpose of enforcing the remedies provided for herein, or otherwise in relation to the Collateral or any part thereof or by reason of the non-payment or non-performance of the Obligations, and all such costs and expenses shall bear interest at the rate borne by the Obligations, shall be payable on demand and shall, together with such interest, be a first charge on the proceeds of any such realization or disposition.



6. **Continuing Security**

The Security Interest is a continuing security interest and is in addition to and not in substitution for and shall not merge with any other security or securities which the Secured Party now holds or from time to time may hold or take from the Debtor or any guarantor(s) on behalf of the Debtor, and it is contemplated that balances owing from time to time by the Debtor may be reduced or paid in full and further advances may be made to the Debtor on the basis of this Agreement.

7. **Sale or Disposition of Collateral**

The Debtor shall not without the prior written consent of the Secured Party:

- a) sell, lease or otherwise dispose of the Collateral or any part thereof; or
- b) release, surrender or abandon possession of the Collateral or any part thereof.

Tenant	Landlord
	

The Secured Party may, at its discretion, at any time or from time to time release from the Security Interest any part or parts of the Collateral or any other security or security for the Obligations, either with or without sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the Collateral or any person from this Security Agreement or from any of the covenants herein contained.

Every part of the Collateral into which the Collateral is or may be hereafter divided does and shall stand charged with payment of the Obligations and no person shall have the right to require the Obligations to be apportioned.

The Secured Party shall not be accountable to the Debtor for the value of any property or security released except for any moneys actually received by the Secured Party.



Notwithstanding any other provision of this Agreement, the Debtor may at any time, unless it is in default of any its Obligations, without the consent of the Secured Party:

- (a) Sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
- (b) Sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable of for the purpose for which it was intended; and
- (c) Collect accounts in the ordinary course of its business.

8. **Pledging of Collateral**

The Debtor shall not, without the prior written consent of the Secured Party, create, permit, assume, have outstanding or suffer to exist, any charge or encumbrance on the Collateral, or any part thereof, ranking or purporting to rank prior to or pari passu with the Security Interest, other than permitted encumbrances as described in section 25 hereof.



9. **Failure to Perform Covenants**

Tenant	Landlord
	

If the Debtor shall fail to perform any covenant on its part herein contained, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by it. If any such covenant requires the payment of money or if the Collateral shall become subject to any lien or charge ranking in whole or in part in priority to the Security Interest, the Secured Party may make such payment or pay or discharge the said lien or charge, but shall be under no obligation to do so. All sums so paid by the Secured Party shall immediately be payable by the Debtor to the Secured Party, shall bear interest at the rate borne by the Obligations until paid, and shall be secured by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

10. **Insurance**

- a) the Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof and shall either assign the insurance policies to the Secured Party or shall have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to it and held by it. Should the Debtor neglect to maintain such insurance the Secured Party may insure without obligation to do so and the premiums paid by the Secured Party shall be payable by the Debtor to the Secured Party in accordance with section 9 hereof.
- b) the Debtor acknowledges to the Secured Party that the Security Interest applies to all insurance proceeds in respect of the Collateral.
- c) in the event of loss or damage to the Collateral the Debtor shall, if the Secured Party so requests, apply the aforesaid insurance proceeds against the Obligations in such manner as the Secured Party, in its sole discretion, may determine; however, if the security constituted hereby has not become enforceable and if it is reasonable in the circumstances to rebuild, repair, replace or reinstate such Collateral and the Debtor is desirous of doing so, then such proceeds will be applied for such purpose. Where the aforesaid insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing or rebuilding the damaged Collateral, the receipt of the insurance proceeds shall not operate as

Tenant	Landlord
	



payment or novation or in any way affect the security herein or any other security or covenants for or in respect of the Obligations.

- d) the Debtor shall forthwith give written notice to the Secured Party of all claims it makes under its insurance policies.

11. **Default**

The Secured Party may at its option, in writing, declare the Debtor to be in default under this Agreement and may declare the whole or any part of the unpaid balance of any Obligations secured by this Agreement immediately due and payable, if any of the following events occur:

- a) the Debtor fails to pay to the Secured Party as and when the same falls due any monies (whether by acceleration or otherwise and whether principal or interest) owing to the Secured Party in respect of the Obligations or under any other note, contract, security agreement or agreement between the Debtor and the Secured Party;
- b) the Debtor fails to perform any agreement, undertaking or covenant of the Debtor in this Agreement or any other agreement between the Debtor and the Secured Party;
- c) the occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of the Secured Party and/or any assignee of the Secured Party as their interests may appear;
- d) the Debtor, or any guarantor or surety hereon for the Debtor, ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, proposes a compromise or arrangement to its creditors, or takes proceedings under the *Companies' Creditors Arrangement Act*;
- e) the Debtor should be declared or otherwise become insolvent under the provisions of the *Bankruptcy and Insolvency Act* (Canada), any other comparative statute of Canada or any other relevant jurisdiction with respect to insolvency, or if receiver or a receiver and manager shall be appointed with respect to the Debtor or any of the Collateral;

Tenant	Landlord
	



- f) any execution, sequestration, or any other process of any Court becomes enforceable against the Debtor or any distress or analogous process is levied upon the Collateral or any part thereof; or
- g) the Secured Party, in good faith, on commercially reasonable grounds, believes that the prospect of payment or performance hereunder is impaired or that the Collateral or any part thereof is in danger of being lost, damaged or confiscated, or otherwise in jeopardy.

12. **Enforcement**

At any time after the security hereby constituted becomes enforceable, the Secured Party shall have the following rights and powers:

- a) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and servants therefrom;
- b) to preserve and maintain the Collateral and make such replacements therefor and additions thereto as it shall deem advisable;
- c) to enjoy and exercise all powers necessary to the performance of all functions provided for in this Security Agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in its own name and to advance its own money to the Debtor at such rates of interest as it may deem reasonable;
- d) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise in such manner and on such terms as to it may seem commercially reasonable, provided always that it shall not be incumbent on the Secured Party to sell, lease or dispose of the said property but that it shall be lawful for the Secured Party peaceably and quietly to take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction or hindrance of persons whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral sold; and
- e) to appoint by instrument any person to be a receiver, manager, receiver-manager, or receiver and manager (hereinafter called the "Receiver"), of the Collateral and to remove any Receiver so appointed and appoint another in his stead.

The Secured Party in appointing or refraining from appointing a Receiver shall not incur any liability to the Receiver, the Debtor or otherwise.

Tenant	Landlord
	

13. **Powers of Receiver**



Any Receiver appointed pursuant to the provisions of this Security Agreement shall for all purposes be deemed to be the agent of the Debtor and shall have all the powers of the Secured Party hereunder and in addition shall have the following powers:

- a) to carry on its business as it relates to the Collateral;
- b) with the consent of the Secured Party, to borrow money in the name of the Receiver or in the name of the Debtor for the purpose of carrying on the above-mentioned business of the Debtor and for the preservation and realization of the Collateral, including, without limitation, the right to make payments to parties having prior charges or encumbrances on properties on which the Debtor may hold charges or encumbrances; and
- c) to commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Collateral.

14. **Additional Powers upon Default**

In addition to the rights and powers provided in sections 12 and 13 hereof, the Secured Party and the Receiver shall each have the following rights and powers if the security hereby constituted becomes enforceable:

- a) the Secured Party and the Receiver shall have all the rights and remedies of a secured party under *The Personal Property Security Act, 1993* of the Province of Saskatchewan (and under comparable legislation in other Provinces of Canada) as amended from time to time;
- b) the Secured Party or the Receiver may dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- c) if the Secured Party or Receiver believes, on reasonable grounds, that any part of the Collateral will decline speedily in value, the Secured Party or the Receiver may sell or otherwise dispose of any part of the Collateral without giving any notice whatever; and
- d) at its option, provided notice is given to the Debtor in the manner required by *The Personal Property Security Act, 1993* (as above-mentioned), the Secured Party

Tenant	Landlord
	

may elect to retain all or any part of the Collateral in satisfaction of the Obligations.


15. **General Provisions**

- a) any amount borrowed by the Secured Party or the Receiver pursuant to the powers set out in this Security Agreement and any interest thereon shall be a charge upon the Collateral in priority to the charges created by this Security Agreement and any encumbrance subsequent thereto.
- b) the Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same for the purpose of preserving any rights of the Secured Party, the Debtor or any other party in respect of the same.
- c) the Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor and/or guarantors, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations or the Secured Party's right to hold and realize the Collateral.

16. **Application of Proceeds of Disposition of Collateral**

Subject to the claims, if any, of the secured creditors of the Debtor (including any indebtedness of the Receiver or the Secured Party ranking in priority to the charges created by this Security Agreement) all moneys received by the Secured Party or by the Receiver pursuant to sections 12, 13, 14 and 15 of this Security Agreement shall be applied as follows:

- a) first, in payment of all expenses and legal costs of and incidental to the appointment of the Receiver and the exercise by the Receiver or the Secured Party of all or any of the powers granted to them under this Security Agreement, including reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent or employee of the Secured Party and all disbursements properly paid by the Receiver or the Secured Party in exercising their powers as aforesaid;

Tenant	Landlord
SH	

- b) second, in payment of the Obligations to the Secured Party which may be applied by the Secured Party in such manner as the Secured Party, in its sole discretion, may determine;
- c) third, in satisfaction of any indebtedness or liability secured by any security interest in the Collateral subordinate to the charges created by this Security Agreement if written demand therefor is received by the Secured Party or the Receiver before the distribution of the proceeds is completed; and
- d) fourth, any surplus shall be paid to the Debtor.

17. **Waiver by the Secured Party**


Any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

18. **Restriction on Debtor**

Upon the Debtor receiving notice from the Secured Party of the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant, or agent of the Debtor with respect to the Collateral, shall be suspended unless specifically continued by the written consent of the Secured Party.

19. **Deficiency**

The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable solicitors' fees, incurred or paid by the Secured Party in protecting or enforcing its rights upon or under Collateral. After deducting all of said expenses the residue of any proceeds of collection or sale of Collateral shall be applied to the payment of the Obligations in such order of preference as the Secured Party may determine, and any excess shall be returned to the Debtor and the Debtor shall remain liable for any deficiency.

Tenant	Landlord
SN	

After the payment of the expenses of retaking and disposing of the Collateral the Debtor shall remain liable to the Secured Party for any deficiency remaining to be paid on monies owing under this Agreement after the application of the proceeds of disposition of the Collateral to the monies owed under this Agreement.

20. **Rights Cumulative**

All rights and remedies of the Secured Party prescribed in this Security Agreement shall be cumulative and no remedy contained herein is intended to be exclusive but shall be in addition to every other remedy contained herein or in any other security document or existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Security Agreement.

21. **Applicable Law**

This Security Agreement shall be governed by and be interpreted in accordance with the law of the Province of Saskatchewan. Any provision hereof prohibited by any applicable law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.



22. **Notice**

Any demand or notice to the Debtor in connection with this Security Agreement shall be deemed to be made or given if either:

- a) mailed by prepaid post addressed to the Debtor at its last known address, in which case it shall be conclusively deemed to have been received by the Debtor on the third (3rd) day following the date of such mailing, or
- b) personally served upon the Debtor or upon any director, officer, servant, employee or partner of the Debtor, in which case it shall be deemed to have been made and given at the time of such service.

23. **Further Assurances**

The Debtor shall from time to time forthwith on the Secured Party's request do, make and execute all such financing statements, financing change statements, further assignments,

Tenant	Landlord
	

documents, acts, matters and things as may be reasonably required by the Secured Party of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents. The Debtor hereby authorizes the Secured Party to do such acts, matters and things (including, without limitation, the completion and adding hereto of additional schedules identifying the Collateral) as is reasonably appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby and the Debtor hereby constitutes and appoints any officer or employee of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it is reasonable to do so for the purposes aforesaid.


24. **Binding Effect**

This Security Agreement and all its provisions shall enure to the benefit of and be binding upon the Secured Party and the Debtor and their respective successors and assigns.

25. **Description of Permitted Encumbrances**

For the purposes of this security agreement "permitted encumbrances" means any of the following:

- a) liens for taxes, assessments, governmental charges or levies not overdue;
- b) rights reserved to or vested in any municipality or government or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision to terminate the same or to require annual or periodic payments as a condition to the continuance thereof;
- c) any lien or encumbrance the validity of which is contested by the Debtor in good faith by appropriate proceedings promptly instituted and diligently conducted, provided reserves or other appropriate provision is made to the satisfaction of the Secured Party (acting reasonably) for the eventual satisfaction thereof if found valid;
- d) statutory liens of landlords and liens of carriers, mechanics and material men imposed by law and incurred in the ordinary course of business for sums not overdue; and

Tenant	Landlord
SM	

- e) those mortgages, charges, assignments, security interests, liens or other encumbrances existing at the date hereof which are described in Schedule "B" to this Agreement.



26. **General**

This Agreement shall be a continuing agreement in every respect. No remedy for the enforcement of the rights of the Secured Party hereunder shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination. The Security Interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Secured Party.

Upon the Obligations having been fully retired the Secured Party shall, within a reasonable time thereafter, discharge from registration any and all financing statements or similar notices, registrations or recordations made by him or on his behalf in any public offices or registries for the purpose of perfecting or protecting the security interests granted hereby.

27. **Waiver of the Limitation of Civil Rights Act (Saskatchewan)**

In the event that the Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* and *The Land Contracts (Actions) Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement.

Tenant	Landlord
	

28. **Entire Agreement in Writing**

THIS SECURITY AGREEMENT REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT HERETO AND ALL PRIOR NEGOTIATIONS RELATING TO IT ARE SUPERSEDED. THERE ARE NO COLLATERAL UNDERSTANDINGS BETWEEN THE PARTIES RELATING TO THIS SECURITY AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER - PROVIDED THAT IN ANY EVENT THIS SECURITY AGREEMENT SHALL NOT SUPERSEDE OR REPLACE THE PROMISSORY NOTE REFERRED TO IN SECTION 1 OF THIS SECURITY AGREEMENT AND/OR ANY OTHER SECURITY COLLATERAL THERETO.

29. The Debtor acknowledges having received a copy of this Security Agreement and hereby waives the right to receive a copy of any financing statement or verification statement pertaining to this Security Agreement.
-



This Security Agreement has been executed by the Debtor on the ____ day of _____, 20__.

(Debtor)

Per: _____

c/s

Per: _____

Tenant	Landlord
	



SCHEDULE A

Motor Vehicles, Trailers, Boats, Snowmobiles, Tractors, Airplanes & other Serial Numbered Goods prescribed by the *Personal Property Security Act, 1993*.

Description & Model	Year	Serial Number

initials

initials

Tenant	Landlord
	

SCHEDULE "G" INDEMNITY AGREEMENT

INDEMNITY AGREEMENT

BETWEEN:

BTA REAL ESTATE GROUP INC. (the "Landlord")

AND:



Said (Skye) Kaiss (the "Indemnifier")

WHEREAS:

- A. The Landlord is the owner of the lands and premises known municipally as 2101 Quance Street East, Regina, SK (the "Building"); and
- B. The Indemnifier and Family Fitness Inc. (the "Tenant") have requested the Landlord to enter into a lease (the "Lease") dated * between the Landlord and Tenant relating to premises in the Building and the Landlord has agreed to do so only if the Indemnifier executes and delivers this Agreement in favour of the Landlord;

NOW THEREFORE in order to induce the Landlord to enter into the Lease, the Indemnifier hereby makes the following indemnity and agreement ("Indemnity") with and in favour of the Landlord and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by the Indemnifier), the Indemnifier agrees with the Landlord as follows:



1. The Indemnifier hereby agrees with the Landlord that at all times during (i) the Term, (ii) any extension or renewal thereof, and (iii) any other period when the Tenant is in possession of the Premises, the Indemnifier shall be bound to the Landlord for the performance of all the obligations of the Tenant under the Lease, and the Indemnifier's liability shall be that of a direct and primary obligor. In this regard, the Indemnifier shall:
 - a. make due and punctual payment of all Rent, loan repayments, monies, charges and other amounts of any kind whatsoever due and payable under the Lease by the Tenant, whether to the Landlord or to any other Person and whether the Lease has been disaffirmed, disclaimed, terminated or surrendered;
 - b. effect prompt and complete performance of all the terms, covenants and conditions contained in the Lease on the part of the Tenant to be kept, observed and performed; and
 - c. promptly indemnify and save the Landlord harmless from and against any and all Claims arising out of any failure by the Tenant to pay all Rent, loan repayments,

Tenant	Landlord
	

monies, charges or other amounts of any kind whatsoever due and payable under the Lease or resulting from any failure by the Tenant to observe or perform any of the terms, covenants and conditions contained in the Lease on the part of the Tenant to be kept, observed and performed.

2. The Indemnifier hereby expressly acknowledges and agrees that this Indemnity is absolute and unconditional and the obligations of the Indemnifier shall not be released, discharged, mitigated, impaired or affected (whether or not the Indemnifier has notice thereof or is a party thereto) by:

- a. any extension of time, indulgences or modifications which the Landlord extends to or makes with the Tenant in respect of the performance of any of the obligations of the Tenant under the Lease;
- b. any waiver by or failure of the Landlord to enforce any of the terms, covenants, agreements, stipulations, provisos, conditions and Rules and Regulations contained in the Lease;
- c. ~~any Transfer of the Lease or of all or any part of the Premises by the Tenant or by any Transferee, or by any trustee, receiver, receiver-manager or liquidator;~~
- d. any Change of Control of the Tenant or of any Transferee;
- e. any consent which the Landlord gives to any Transfer or Change of Control;
- f. any relocation, expansion or reduction of the Premises and any changes to the Lease resulting therefrom;
- g. any amendment or modification to the Lease whether made between the Landlord and the Tenant or between the Landlord and any Transferee;
- h. any waiver by the Tenant or any Transferee of any of its rights under the Lease;
- i. any Alterations in, to or for the Premises or any part thereof;
- j. the expiration of the Term or termination of the Lease;
- k. any overholding by the Tenant of the Premises or any part thereof;
- l. any renewal or extension of the Lease pursuant to any option or right of the Tenant or otherwise, it being understood and agreed that this Indemnity shall extend throughout the Term, as renewed or extended;
- m. any loss of, or any loss in respect of, any security received or intended to have been received by the Landlord from the Tenant or any other Person, whether or not occasioned or contributed to by or through the act, omission, default or neglect of the Landlord or those for whom the Landlord is in law responsible;
- n. any act, omission, default or neglect of the Landlord or any other Person whereby:
 - i. the Tenant (or any one or more Persons comprising the Tenant), or

Tenant	Landlord
	

ii. the Indemnifier (or any one or more Persons comprising the Indemnifier)

is released or has its (or their) obligations under the Lease or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever; or

o. any present or future statute or any existing or future common law under which:

i. the Tenant (or any one or more Persons comprising the Tenant), or

ii. the Indemnifier (or any one or more Persons comprising the Indemnifier)

is released or has its (or their) obligations under the Lease or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever.

Nothing but payment and satisfaction in full of all Rent and the due performance and observance of all terms, covenants and conditions on the part of the Tenant to be paid and performed under the Lease shall release the Indemnifier from its obligations under the Lease or this Indemnity, as the case may be.



3. The Indemnifier hereby expressly waives notice of the acceptance of this Agreement and any notice of non-performance, non-payment or non-observance on the part of the Tenant of any of the terms, covenants and conditions contained in the Lease. Without limiting the generality of the foregoing, any notice which the Landlord desires to give to the Indemnifier shall be sufficiently given if addressed to the Indemnifier and delivered to the Premises, or, if mailed by prepaid registered or certified post addressed to the Indemnifier at the Premises, and every such notice is deemed to have been given on the day it was so delivered, or, if mailed, seventy-two (72) hours after it was mailed. The Indemnifier may designate by notice in writing a substitute address for that set forth above and thereafter notices shall be directed to such substitute address. If two or more Persons are named as the Indemnifier, any notice given hereunder or under the Lease shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such Persons.

4. In the event of a default by the Tenant under the Lease, the Indemnifier expressly acknowledges and agrees that the Landlord may proceed directly against the Indemnifier, and in this regard the Indemnifier waives any right to require the Landlord first to:

- a. proceed against the Tenant or any other Indemnifier, guarantor or Person or pursue any rights or remedies against the Tenant or any other Indemnifier, guarantor or Person with respect to the Lease,
- b. proceed against or exhaust any security of the Tenant held by the Landlord, or
- c. pursue any other remedy available to the Landlord under the Lease, in equity or at law.



The Landlord has the right to enforce this Indemnity regardless of the acceptance of additional security from the Tenant and regardless of any release or discharge of the Tenant by the Landlord or by others or by operation of any law.

5. Without limiting any other provision contained in this Indemnity, the liability of the


Tenant	Landlord
	

Indemnifier under this Indemnity shall continue in full force and effect and shall not be, or be deemed to have been, waived, released, discharged, impaired or affected by reason of the release or discharge of the Tenant in any receivership, bankruptcy, winding-up or other creditors' proceedings, or the rejection, disaffirmance, disclaimer, termination or surrender (whether or not accepted by the Landlord) of the Lease pursuant to any statute or otherwise, and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term as if the Lease had not been rejected, disaffirmed, disclaimed, terminated or surrendered.

6. No action or proceedings brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of any of the terms, covenants and conditions contained in the Lease.
7. No modification of this Indemnity shall be effective unless such modification is in writing and is executed by both the Indemnifier and the Landlord.
8. If the Indemnifier is a corporation, it shall not, directly or indirectly, change, or permit to be changed, the effective voting control thereof from that existing as of the date of the commencement of the Fixturing Period, or, if none, as of the Commencement Date, and, if the Indemnifier is a partnership, joint venture or co-tenancy, it shall not change, or permit to be changed, the Persons comprising the partnership, joint venture or co-tenancy as of the date of commencement of the Fixturing Period or, if none, as of the Commencement Date, without in either case obtaining the Landlord's prior written consent in each and every instance, which consent may be unreasonably withheld.
9. If more than one individual, corporation, partnership or other business association (or any combination of them) executes this Indemnity as the Indemnifier, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. In like manner, if the Indemnifier named in this Indemnity is a partnership or other business association, the members of which are by virtue of statutory or common law subject to personal liability, the liability of each such member is joint and several. If two or more Persons are named as an Indemnifier in this Indemnity, the release of one or more of such Persons does not release any remaining Person named as an Indemnifier in this Indemnity.
10. All debts, obligations and liabilities (collectively "Liabilities") of the Tenant to the Indemnifier, present and future, are hereby assigned to the Landlord and postponed to all the Liabilities of the Tenant to the Landlord. All money, property and other benefits received by the Indemnifier from the Tenant shall be received in trust for the Landlord and, forthwith upon receipt thereof, the Indemnifier shall pay it or them to the Landlord on account of any outstanding obligations of the Tenant to the Landlord.
11. The Indemnifier shall be bound by any account settled between the Landlord and the Tenant.

Tenant	Landlord
	

12. This Indemnity constitutes the complete agreement between the Indemnifier and the Landlord, and none of the parties hereto shall be bound by any representations or agreements made by any Person which would in any way reduce or impair the obligations of the Indemnifier other than any which are expressly set out herein, or in any modification of this Indemnity in writing and executed by both the Indemnifier and the Landlord.
13. All the terms, covenants and conditions of this Indemnity extend to and are binding on the Indemnifier, his, her or its heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by the Landlord, its successors and assigns, as the case may be. The obligations of the Indemnifier shall not be affected by the death or incapacity of the Indemnifier.
14. The Indemnifier shall, without limiting the generality of the foregoing, be bound by this Indemnity in the same manner as if the Indemnifier were the Tenant named in the Lease. The Indemnifier acknowledges that it has received a true copy of the Lease and is familiar with the terms, covenants and conditions contained therein.
15. Wherever in this Indemnity reference is made to either the Landlord or the Tenant, the reference is deemed to apply also to the respective heirs, executors, administrators, successors and assigns of the Landlord or of the Tenant, as the case may be, named in the Lease. Any assignment by the Landlord of any of its interest in the Lease operates automatically as an assignment to such assignee of the benefit of this Indemnity.
16. This Indemnity shall be construed in accordance with the laws of the Province of Saskatchewan.
17. The Indemnifier acknowledges the suggestion of the Landlord that, before executing this Indemnity, the Indemnifier should obtain independent legal advice.

Tenant	Landlord
SR	

IN WITNESS WHEREOF, the Indemnifier(s) have signed and sealed this Indemnity the ____ day of _____, 2013.

(Indemnifier)

I/We have the authority
to bind the corporation

Per: _____
Name: _____
Title: _____
Per: _____
Name: _____
Title: _____

c/s

[If the Indemnifier is not a corporation then replace its signing line with the following:]



Signed, sealed and delivered in

the presence of:

Name of Witness:

_____ I/s

[Individual's Legal Name]

Tenant	Landlord
	

This is Exhibit "E" referred to in
the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.

A handwritten signature in blue ink, appearing to be "K. My", written over a horizontal line.

A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

GENERAL SECURITY AGREEMENT

BETWEEN:

FAMILY FITNESS INC.,
a corporation under
The Business Corporations Act (Saskatchewan)
(the "Debtor")

OF THE FIRST PART

AND:

BTA REAL ESTATE GROUP INC.,
a corporation under
The Business Corporations Act (Saskatchewan)
(the "Secured Party")

OF THE SECOND PART

1. **Grant of Security Interest**

In consideration of the sum of Ten (\$10.00) Dollars and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Debtor), the Debtor hereby grants to the Secured Party a security interest (the "Security Interest") in the property of the Debtor described in Section 2 hereof (the "Collateral") as a general and continuing collateral security for the payment and performance of all present and future obligations, indebtedness and liabilities of the Debtor to the Secured Party from time to time outstanding (the "Obligations").

2. **Description of Collateral**

- a) all personal property of the Debtor, now owned or hereafter acquired;
- b) all property in any form derived directly or indirectly from any dealing with the property described in Subsection 2(a) or that indemnifies or compensates for such of the said property as is destroyed or damaged; and
- c) if a Schedule A is attached, the personal property described in Schedule A attached to this Security Agreement.

2. **Attachment of Security Interest**

The parties hereto hereby acknowledge that value has been given by the Secured Party to the Debtor and that no further value need be given for the Security Interest to attach to the Collateral. The Security Interest created by this Security Agreement shall attach to existing collateral when this Agreement is signed and delivered to the Secured Party and

shall attach to after-acquired Collateral immediately upon the Debtor acquiring rights in such Collateral. The parties do not intend to postpone attachment of any Security Interest created by this Agreement.

3. **Last Day of Leases, etc.**

It is hereby declared that the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by or for the Debtor and subjected or required to be subjected hereto is expressly excepted and excluded out of the Collateral and does not form part of same, but the Debtor shall stand possessed of the reversions remaining in the Debtor of any such leasehold interest for the time being devised as aforesaid upon trust for the Secured Party for the purposes of this Agreement, and shall assign and dispose of same as the Secured Party shall direct.

5. **Representations, Warranties & Covenants of Debtor**

The Debtor hereby represents and warrants to and covenants with the Secured Party that it:

- a) is or, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral free from any mortgage, lien, charge, encumbrance or security interest other than permitted encumbrances as defined in section 25 hereof;
- b) shall pay when the same become payable and keep the collateral free from all rents, taxes, assessments, claims, liens and encumbrances and shall promptly notify the Secured Party of any loss or damage to the Collateral or any part thereof;
- c) shall observe and perform all of his obligations under any leases, licences and other agreements to which it is a party and under the requirements of all governmental authorities to which it is subject in order to preserve and protect the Collateral;
- d) shall keep the Collateral in good, order, condition and repair;
- e) shall not use the Collateral in violation of any other agreement relating to it or of any policy of insurance insuring it or of any applicable statute, law, by-law, regulation, rule or ordinance;
- f) shall from time to time forthwith on request furnish to the Secured Party in writing all information requested relating to the Collateral or any part thereof, and shall permit a representative of the Secured Party at any reasonable time from time to time to inspect the Collateral and for that purpose to enter the Debtor's premises and any other location where the Collateral may be situated, and will pay the reasonable expenses of the Secured Party incurred thereby, including without limitation the reasonable remuneration and expenses of any person engaged by the Secured Party for such purpose; and

- g) shall pay all reasonable costs and expenses (including without limitation reasonable legal fees on a solicitor and his own client basis) of the Secured Party incurred with respect to the taking, recovering, collecting, processing, retaining, realizing or disposing of the Collateral or any part thereof and in any other proceedings taken for the purpose of enforcing the remedies provided for herein, or otherwise in relation to the Collateral or any part thereof or by reason of the non-payment or non-performance of the Obligations, and all such costs and expenses shall bear interest at the rate borne by the Obligations, shall be payable on demand and shall, together with such interest, be a first charge on the proceeds of any such realization or disposition.

6. **Continuing Security**

The Security Interest is a continuing security interest and is in addition to and not in substitution for and shall not merge with any other security or securities which the Secured Party now holds or from time to time may hold or take from the Debtor or any guarantor(s) on behalf of the Debtor, and it is contemplated that balances owing from time to time by the Debtor may be reduced or paid in full and further advances may be made to the Debtor on the basis of this Agreement.

7. **Sale or Disposition of Collateral**

The Debtor shall not without the prior written consent of the Secured Party:

- a) sell, lease or otherwise dispose of the Collateral or any part thereof; or
- b) release, surrender or abandon possession of the Collateral or any part thereof.

The Secured Party may, at its discretion, at any time or from time to time release from the Security Interest any part or parts of the Collateral or any other security or security for the Obligations, either with or without sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the Collateral or any person from this Security Agreement or from any of the covenants herein contained.

Every part of the Collateral into which the Collateral is or may be hereafter divided does and shall stand charged with payment of the Obligations and no person shall have the right to require the Obligations to be apportioned.

The Secured Party shall not be accountable to the Debtor for the value of any property or security released except for any moneys actually received by the Secured Party.

Notwithstanding any other provision of this Agreement, the Debtor may at any time, unless it is in default of any its Obligations, without the consent of the Secured Party:

- (a) Sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
- (b) Sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable of for the purpose for which it was intended; and
- (c) Collect accounts in the ordinary course of its business.

8. **Pledging of Collateral**

The Debtor shall not, without the prior written consent of the Secured Party, create, permit, assume, have outstanding or suffer to exist, any charge or encumbrance on the Collateral, or any part thereof, ranking or purporting to rank prior to or pari passu with the Security Interest, other than permitted encumbrances as described in section 25 hereof.

9. **Failure to Perform Covenants**

If the Debtor shall fail to perform any covenant on its part herein contained, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by it. If any such covenant requires the payment of money or if the Collateral shall become subject to any lien or charge ranking in whole or in part in priority to the Security Interest, the Secured Party may make such payment or pay or discharge the said lien or charge, but shall be under no obligation to do so. All sums so paid by the Secured Party shall immediately be payable by the Debtor to the Secured Party, shall bear interest at the rate borne by the Obligations until paid, and shall be secured by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

10. **Insurance**

- a) the Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof and shall either assign the insurance policies to the Secured Party or shall have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to it and held by it. Should the Debtor neglect to maintain such insurance the Secured Party may insure without obligation to do so and the premiums paid by the Secured Party shall be payable by the Debtor to the Secured Party in accordance with section 9 hereof.

- b) the Debtor acknowledges to the Secured Party that the Security Interest applies to all insurance proceeds in respect of the Collateral.
- c) in the event of loss or damage to the Collateral the Debtor shall, if the Secured Party so requests, apply the aforesaid insurance proceeds against the Obligations in such manner as the Secured Party, in its sole discretion, may determine; however, if the security constituted hereby has not become enforceable and if it is reasonable in the circumstances to rebuild, repair, replace or reinstate such Collateral and the Debtor is desirous of doing so, then such proceeds will be applied for such purpose. Where the aforesaid insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing or rebuilding the damaged Collateral, the receipt of the insurance proceeds shall not operate as payment or novation or in any way affect the security herein or any other security or covenants for or in respect of the Obligations.
- d) the Debtor shall forthwith give written notice to the Secured Party of all claims it makes under its insurance policies.

11. **Default**

The Secured Party may at its option, in writing, declare the Debtor to be in default under this Agreement and may declare the whole or any part of the unpaid balance of any Obligations secured by this Agreement immediately due and payable, if any of the following events occur:

- a) the Debtor fails to pay to the Secured Party as and when the same falls due any monies (whether by acceleration or otherwise and whether principal or interest) owing to the Secured Party in respect of the Obligations or under any other note, contract, security agreement or agreement between the Debtor and the Secured Party;
- b) the Debtor fails to perform any agreement, undertaking or covenant of the Debtor in this Agreement or any other agreement between the Debtor and the Secured Party;
- c) the occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of the Secured Party and/or any assignee of the Secured Party as their interests may appear;
- d) the Debtor, or any guarantor or surety hereon for the Debtor, ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, proposes a compromise or arrangement to its creditors, or takes proceedings under the *Companies' Creditors Arrangement Act*;

- e) the Debtor should be declared or otherwise become insolvent under the provisions of the *Bankruptcy and Insolvency Act* (Canada), any other comparative statute of Canada or any other relevant jurisdiction with respect to insolvency, or if receiver or a receiver and manager shall be appointed with respect to the Debtor or any of the Collateral;
- f) any execution, sequestration, or any other process of any Court becomes enforceable against the Debtor or any distress or analogous process is levied upon the Collateral or any part thereof; or
- g) the Secured Party, in good faith, on commercially reasonable grounds, believes that the prospect of payment or performance hereunder is impaired or that the Collateral or any part thereof is in danger of being lost, damaged or confiscated, or otherwise in jeopardy.

12. **Enforcement**

At any time after the security hereby constituted becomes enforceable, the Secured Party shall have the following rights and powers:

- a) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and servants therefrom;
- b) to preserve and maintain the Collateral and make such replacements therefor and additions thereto as it shall deem advisable;
- c) to enjoy and exercise all powers necessary to the performance of all functions provided for in this Security Agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in its own name and to advance its own money to the Debtor at such rates of interest as it may deem reasonable;
- d) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise in such manner and on such terms as to it may seem commercially reasonable, provided always that it shall not be incumbent on the Secured Party to sell, lease or dispose of the said property but that it shall be lawful for the Secured Party peaceably and quietly to take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction or hindrance of persons whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral sold; and
- e) to appoint by instrument any person to be a receiver, manager, receiver-manager, or receiver and manager (hereinafter called the "Receiver"), of the Collateral and to remove any Receiver so appointed and appoint another in his stead.

The Secured Party in appointing or refraining from appointing a Receiver shall not incur any liability to the Receiver, the Debtor or otherwise.

13. **Powers of Receiver**

Any Receiver appointed pursuant to the provisions of this Security Agreement shall for all purposes be deemed to be the agent of the Debtor and shall have all the powers of the Secured Party hereunder and in addition shall have the following powers:

- a) to carry on its business as it relates to the Collateral;
- b) with the consent of the Secured Party, to borrow money in the name of the Receiver or in the name of the Debtor for the purpose of carrying on the above-mentioned business of the Debtor and for the preservation and realization of the Collateral, including, without limitation, the right to make payments to parties having prior charges or encumbrances on properties on which the Debtor may hold charges or encumbrances; and
- c) to commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Collateral.

14. **Additional Powers upon Default**

In addition to the rights and powers provided in sections 12 and 13 hereof, the Secured Party and the Receiver shall each have the following rights and powers if the security hereby constituted becomes enforceable:

- a) the Secured Party and the Receiver shall have all the rights and remedies of a secured party under *The Personal Property Security Act, 1993* of the Province of Saskatchewan (and under comparable legislation in other Provinces of Canada) as amended from time to time;
- b) the Secured Party or the Receiver may dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- c) if the Secured Party or Receiver believes, on reasonable grounds, that any part of the Collateral will decline speedily in value, the Secured Party or the Receiver may sell or otherwise dispose of any part of the Collateral without giving any notice whatever; and
- d) at its option, provided notice is given to the Debtor in the manner required by *The Personal Property Security Act, 1993* (as above-mentioned), the Secured Party may elect to retain all or any part of the Collateral in satisfaction of the Obligations.

15. **General Provisions**

- a) any amount borrowed by the Secured Party or the Receiver pursuant to the powers set out in this Security Agreement and any interest thereon shall be a charge upon the Collateral in priority to the charges created by this Security Agreement and any encumbrance subsequent thereto.
- b) the Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same for the purpose of preserving any rights of the Secured Party, the Debtor or any other party in respect of the same.
- c) the Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor and/or guarantors, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations or the Secured Party's right to hold and realize the Collateral.

16. **Application of Proceeds of Disposition of Collateral**

Subject to the claims, if any, of the secured creditors of the Debtor (including any indebtedness of the Receiver or the Secured Party ranking in priority to the charges created by this Security Agreement) all moneys received by the Secured Party or by the Receiver pursuant to sections 12, 13, 14 and 15 of this Security Agreement shall be applied as follows:

- a) first, in payment of all expenses and legal costs of and incidental to the appointment of the Receiver and the exercise by the Receiver or the Secured Party of all or any of the powers granted to them under this Security Agreement, including reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent or employee of the Secured Party and all disbursements properly paid by the Receiver or the Secured Party in exercising their powers as aforesaid;
- b) second, in payment of the Obligations to the Secured Party which may be applied by the Secured Party in such manner as the Secured Party, in its sole discretion, may determine;
- c) third, in satisfaction of any indebtedness or liability secured by any security interest in the Collateral subordinate to the charges created by this Security

Agreement if written demand therefor is received by the Secured Party or the Receiver before the distribution of the proceeds is completed; and

d) fourth, any surplus shall be paid to the Debtor.

17. **Waiver by the Secured Party**

Any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

18. **Restriction on Debtor**

Upon the Debtor receiving notice from the Secured Party of the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant, or agent of the Debtor with respect to the Collateral, shall be suspended unless specifically continued by the written consent of the Secured Party.

19. **Deficiency**

The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable solicitors' fees, incurred or paid by the Secured Party in protecting or enforcing its rights upon or under Collateral. After deducting all of said expenses the residue of any proceeds of collection or sale of Collateral shall be applied to the payment of the Obligations in such order of preference as the Secured Party may determine, and any excess shall be returned to the Debtor and the Debtor shall remain liable for any deficiency.

After the payment of the expenses of retaking and disposing of the Collateral the Debtor shall remain liable to the Secured Party for any deficiency remaining to be paid on monies owing under this Agreement after the application of the proceeds of disposition of the Collateral to the monies owed under this Agreement.

20. **Rights Cumulative**

All rights and remedies of the Secured Party prescribed in this Security Agreement shall be cumulative and no remedy contained herein is intended to be exclusive but shall be in addition to every other remedy contained herein or in any other security document or existing at law or in equity or by statute. The taking of a judgment or judgments with

respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Security Agreement.

21. **Applicable Law**

This Security Agreement shall be governed by and be interpreted in accordance with the law of the Province of Saskatchewan. Any provision hereof prohibited by any applicable law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

22. **Notice**

Any demand or notice to the Debtor in connection with this Security Agreement shall be deemed to be made or given if either:

- a) mailed by prepaid post addressed to the Debtor at its last known address, in which case it shall be conclusively deemed to have been received by the Debtor on the third (3rd) day following the date of such mailing, or
- b) personally served upon the Debtor or upon any director, officer, servant, employee or partner of the Debtor, in which case it shall be deemed to have been made and given at the time of such service.

23. **Further Assurances**

The Debtor shall from time to time forthwith on the Secured Party's request do, make and execute all such financing statements, financing change statements, further assignments, documents, acts, matters and things as may be reasonably required by the Secured Party of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents. The Debtor hereby authorizes the Secured Party to do such acts, matters and things (including, without limitation, the completion and adding hereto of additional schedules identifying the Collateral) as is reasonably appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby and the Debtor hereby constitutes and appoints any officer or employee of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it is reasonable to do so for the purposes aforesaid.

24. **Binding Effect**

This Security Agreement and all its provisions shall enure to the benefit of and be binding upon the Secured Party and the Debtor and their respective successors and assigns.

25. **Description of Permitted Encumbrances**

For the purposes of this security agreement "permitted encumbrances" means any of the following:

- a) liens for taxes, assessments, governmental charges or levies not overdue;
- b) rights reserved to or vested in any municipality or government or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision to terminate the same or to require annual or periodic payments as a condition to the continuance thereof;
- c) any lien or encumbrance the validity of which is contested by the Debtor in good faith by appropriate proceedings promptly instituted and diligently conducted, provided reserves or other appropriate provision is made to the satisfaction of the Secured Party (acting reasonably) for the eventual satisfaction thereof if found valid;
- d) statutory liens of landlords and liens of carriers, mechanics and material men imposed by law and incurred in the ordinary course of business for sums not overdue; and
- e) those mortgages, charges, assignments, security interests, liens or other encumbrances existing at the date hereof which are described in Schedule "B" to this Agreement.

26. **General**

This Agreement shall be a continuing agreement in every respect. No remedy for the enforcement of the rights of the Secured Party hereunder shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination. The Security Interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Secured Party.

Upon the Obligations having been fully retired the Secured Party shall, within a reasonable time thereafter, discharge from registration any and all financing statements or similar notices, registrations or recordations made by him or on his behalf in any public offices or registries for the purpose of perfecting or protecting the security interests granted hereby.

27. **Waiver of the Limitation of Civil Rights Act (Saskatchewan)**

In the event that the Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* and *The Land Contracts (Actions) Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement.

28. Entire Agreement in Writing

THIS SECURITY AGREEMENT REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT HERETO AND ALL PRIOR NEGOTIATIONS RELATING TO IT ARE SUPERSEDED. THERE ARE NO COLLATERAL UNDERSTANDINGS BETWEEN THE PARTIES RELATING TO THIS SECURITY AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER - PROVIDED THAT IN ANY EVENT THIS SECURITY AGREEMENT SHALL NOT SUPERSEDE OR REPLACE THE PROMISSORY NOTE REFERRED TO IN SECTION 1 OF THIS SECURITY AGREEMENT AND/OR ANY OTHER SECURITY COLLATERAL THERETO.

29. The Debtor acknowledges having received a copy of this Security Agreement and hereby waives the right to receive a copy of any financing statement or verification statement pertaining to this Security Agreement.

This Security Agreement has been executed by the Debtor on the 28th day of September, 2013.

Signed, sealed and delivered in
the presence of:

Matt Sams
Name of Witness:

FAMILY FITNESS INC.

Per: [Signature]
Name: Said Kraiss
Title: President

I/We have the authority
to bind the corporation

Schedule B



Saskatchewan Personal Property Registry Search Result

Searching Party: MACPHERSON LESLIE & TYERMAN LLP
Search Date: 16-Sep-2013 11:43:53
Search Type: Standard

Search #: 201538035
Client Reference: Family Fitness-NAS
Control #:

Search Criteria

Search By: Business Debtor Name
Business Name: Family Fitness Inc.

The following list displays all matches & indicates the ones that were selected.

11 Registration(s) Found: Exacts (6) - Similar (5)

Selected	Match	Registration #	Debtor Name	City
Yes	Exact	300590943	FAMILY FITNESS INC.	REGINA
Yes	Exact	300620146	FAMILY FITNESS INC.	REGINA
Yes	Exact	300631365	FAMILY FITNESS INC.	REGINA
Yes	Exact	300678995	FAMILY FITNESS INC.	REGINA
Yes	Exact	300784111	FAMILY FITNESS INC.	REGINA
Yes	Exact	300859955	FAMILY FITNESS INC.	REGINA
Yes	Similar	300390197	FAMILY FITNESS INC	REGINA
Yes	Similar	300397826	Family Fitness Inc	Regina
Yes	Similar	300641693	FAMILY FITNESS INC	REGINA
Yes	Similar	300669823	FAMILY FITNESS INC	Regina
Yes	Similar	301061618	FAMILY FITNESS INC	REGINA



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 26-May-2010 10:39:03

Registration #: 300590943
Expiry Date: 26-Sep-2013

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID: 150000157 - 3	Address: 1525 BUFFALO PLACE
Entity Type: Business	WINNIPEG, Manitoba
Name: NATIONAL LEASING GROUP INC.	R3T1L9
	Canada

Secured Party

Item #: 1	Address: 1525 BUFFALO PLACE
Party ID: 150000157 - 3	WINNIPEG, Manitoba
Entity Type: Business	R3T1L9
Name: NATIONAL LEASING GROUP INC.	Canada

Debtor Party

*Item #: 1	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151111274 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: FAMILY FITNESS INC.	Canada
Item #: 2	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151111275 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: GOLD'S GYM REGINA	Canada
Item #: 3	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151111276 - 1	REGINA, Saskatchewan
Entity Type: Person	S4R7M2
Name: KAISS, SAID WASSIM	Canada
Birth Date: 10-Nov-1981	

General Property

ALL SPORTS EQUIPMENT, INDOOR CYCLES OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2497927 BETWEEN FIRST CAPITAL LTD., AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.



**Saskatchewan
Personal Property Registry
Search Result**

Current - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 10-Aug-2010 11:11:48

Registration #: 300620146
Expiry Date: 10-Aug-2014

Event Type: Amendment
Transaction Reason: Regular

Transaction Description: RENEWAL FOR 1 YEAR

Notations

Trust Indenture: No

Registrant

Party ID: 150008633 - 2
Entity Type: Business
Name: INDCOM LEASING INC.

Address: 5061 URE STREET
OLDCASTLE, Ontario
N0R1L0
Canada

Secured Party

Item #: 1
Party ID: 150008633 - 2
Entity Type: Business
Name: INDCOM LEASING INC.

Address: 5061 URE STREET
OLDCASTLE, Ontario
N0R1L0
Canada

Debtor Party

Item #: 1
Party ID: 150859394 - 1
Entity Type: Business
Name: SKJ FITNESS INC.

Address: 3615 PASQUA STREET
REGINA, Saskatchewan
S4S6W8
Canada

***Item #:** 2
Party ID: 150859396 - 1
Entity Type: Business
Name: FAMILY FITNESS INC.

Address: 3615 PASQUA STREET
REGINA, Saskatchewan
S4S6W8
Canada

Item #: 3
Party ID: 151160289 - 1
Entity Type: Person
Name: KAISS, SAID WASSIM
Birth Date: 10-Nov-1981

Address: 1001-1914 HAMILTON ST
REGINA, Saskatchewan
S4P3N6
Canada

General Property

FITNESS EQUIPMENT WITH ALL ACCESSORIES AND ATTACHMENTS

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 10-Aug-2010 11:11:48

Registration #: 300620146
Transaction #: 1
Expiry Date: 10-Aug-2013

Event Type: Setup
Transaction Reason: Regular

Transaction Description: New Setup

Notations

Trust Indenture: No

Registrant

Party ID: 150008633 - 2
Entity Type: Business
Name: INDCOM LEASING INC.

Address: 5061 URE STREET
OLDCASTLE, Ontario
N0R1L0
Canada



**Saskatchewan
Personal Property Registry
Search Result**

Secured Party

Item #: 1
Party ID: 150008633 - 2
Entity Type: Business
Name: INDCOM LEASING INC.

Address: 5061 URE STREET
OLDCASTLE, Ontario
N0R1L0
Canada

Debtor Party

Item #: 1
Party ID: 150859394 - 1
Entity Type: Business
Name: SKJ FITNESS INC.

Address: 3615 PASQUA STREET
REGINA, Saskatchewan
S4S6W8
Canada

Item #: 2
Party ID: 150859396 - 1
Entity Type: Business
Name: FAMILY FITNESS INC.

Address: 3615 PASQUA STREET
REGINA, Saskatchewan
S4S6W8
Canada

Item #: 3
Party ID: 151160289 - 1
Entity Type: Person
Name: KAISS, SAID WASSIM
Birth Date: 10-Nov-1981

Address: 1001-1914 HAMILTON ST
REGINA, Saskatchewan
S4P3N6
Canada

General Property

FITNESS EQUIPMENT WITH ALL ACCESSORIES AND ATTACHMENTS

History - Amendment

Amendment Date: 05-Oct-2010 13:07:30

Event Type: Amendment
Transaction Reason: Regular

Registration #: 300620146

Transaction #: 2

Expiry Date: 10-Aug-2014

Transaction Description: RENEWAL FOR 1 YEAR

Life Time: Life Time Amended

Registrant

Party ID: 150008633 - 2
Entity Type: Business
Name: INDCOM LEASING INC.

Address: 5061 URE STREET
OLDCASTLE, Ontario
N0R1L0
Canada



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 07-Sep-2010 08:59:52

Registration #: 300631365
Expiry Date: 07-Sep-2014

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID: 150000157 - 1
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1558 WILLSON PLACE
WINNIPEG, MB
R3T0Y4
Canada

Secured Party

Item #: 1
Party ID: 150000157 - 1
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1558 WILLSON PLACE
WINNIPEG, MB
R3T0Y4
Canada

Debtor Party

*** Item #:** 1
Party ID: 151111274 - 1
Entity Type: Business
Name: FAMILY FITNESS INC.

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 2
Party ID: 151111275 - 1
Entity Type: Business
Name: GOLD'S GYM REGINA

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 3
Party ID: 151179038 - 1
Entity Type: Person
Name: KAISS, SAID
Birth Date: 10-Nov-1981

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

General Property

ALL COMPUTER SYSTEMS, SOFTWARE, DLINKS, DIGITAL SATA, WEB FILTERS, MONITORS, APC OUTLETS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2502262 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.



Saskatchewan Personal Property Registry Search Result

Current - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 20-Jan-2011 13:51:39
Event Type: Amendment
Transaction Reason: Regular

Registration #: 300678995
Expiry Date: 01-Aug-2014

Notations

Trust Indenture: No

Registrant

Party ID: 151216405 - 1	Address: 1525 Buffalo Place
Entity Type: Business	WINNIPEG, Manitoba
Name: NATIONAL LEASING GROUP INC.	R3T1L9
	Canada

Secured Party

Item #: 1	Address: 1525 Buffalo Place
Party ID: 151216405 - 1	WINNIPEG, Manitoba
Entity Type: Business	R3T1L9
Name: NATIONAL LEASING GROUP INC.	Canada

Debtor Party

*Item #: 1	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151111274 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: FAMILY FITNESS INC.	Canada
Item #: 2	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151257329 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: GOLD'S GYM REGINA NORTH	Canada

General Property

ALL PROTRAC WRITING DEVICES, PROTRAC TOKENS, SPORTS EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2530853 BETWEEN EQUILEASE CORP., AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 20-Jan-2011 13:51:39
Event Type: Setup
Transaction Reason: Regular

Registration #: 300678995
Transaction #: 1
Expiry Date: 01-Aug-2014

Notations

Trust Indenture: No

Registrant

Party ID: 151216405 - 1	Address: 1525 Buffalo Place
Entity Type: Business	WINNIPEG, Manitoba
Name: NATIONAL LEASING GROUP INC.	R3T1L9
	Canada

Secured Party

Item #: 1	Address: 1525 Buffalo Place
Party ID: 151216405 - 1	WINNIPEG, Manitoba
Entity Type: Business	R3T1L9
Name: NATIONAL LEASING GROUP INC.	Canada



Saskatchewan
Personal Property Registry
Search Result

Debtor Party

Item #:	1	Address:	358 MCCARTHY BOULEVARD N
Party ID:	151111274 - 1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	FAMILY FITNESS INC.		Canada
Item #:	2	Address:	358 MCCARTHY BOULEVARD N
Party ID:	151257329 - 1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	GOLD'S GYM REGINA NORTH		Canada

General Property

ALL PROTRAC WRITING DEVICES, PROTRAC TOKENS, SPORTS EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2519187 BETWEEN EQUILEASE CORP., AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

History - Amendment

Amendment Date: 08-Mar-2011 12:52:55

Registration #: 300678995

Event Type: Amendment

Transaction #: 2

Transaction Reason: Regular

Registrant

Party ID:	151216405 - 1	Address:	1525 Buffalo Place
Entity Type:	Business		WINNIPEG, Manitoba
Name:	NATIONAL LEASING GROUP INC.		R3T1L9
			Canada

General Property

ALL PROTRAC WRITING DEVICES, PROTRAC TOKENS, SPORTS EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2530853 BETWEEN EQUILEASE CORP., AS ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 11-Oct-2011 08:14:22

Registration #: 300784111
Expiry Date: 11-Oct-2015

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID: 150000157 - 3
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1525 BUFFALO PLACE
WINNIPEG, Manitoba
R3T1L9
Canada

Secured Party

Item #: 1
Party ID: 150000157 - 3
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1525 BUFFALO PLACE
WINNIPEG, Manitoba
R3T1L9
Canada

Debtor Party

*** Item #:** 1
Party ID: 151111274 - 1
Entity Type: Business
Name: FAMILY FITNESS INC.

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 2
Party ID: 151257329 - 1
Entity Type: Business
Name: GOLD'S GYM REGINA NORTH

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

General Property

ALL LOCKERS AND HAND DRYERS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2546693 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Exact

Registration Type: Personal Property Security Agreement
Registration Date: 26-Apr-2012 10:09:50

Registration #: 300859955
Expiry Date: 26-Apr-2017

Event Type: Setup
Transaction Reason: Regular

Transaction Description: SKReg

Notations

Trust Indenture: NO

Registrant

Party ID: 151493012 - 1
Entity Type: Business
Name: AVS Systems Inc.

Address: 201-1325 Polson Dr.
Vernon, British Columbia
V1T8H2
Canada

Secured Party

Item #: 1
Party ID: 151396964 - 1
Entity Type: Business
Name: ROYNAT INC.

Address: Suite 1500, 4710 Kingsway St.
Burnaby, British Columbia
V5H4M2
Canada

Debtor Party

*** Item #:** 1
Party ID: 151553148 - 1
Entity Type: Business
Name: FAMILY FITNESS INC.

Address: 358 MCCARTHY BLVD. NORTH
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 2
Party ID: 151553149 - 1
Entity Type: Business
Name: SKJ FITNESS INC.

Address: 358 MCCARTHY BLVD. NORTH
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 3
Party ID: 151553150 - 1
Entity Type: Person
Name: KAISS, SAID W
Birth Date: 10-Nov-1981

Address: 358 MCCARTHY BLVD. NORTH
REGINA, Saskatchewan
S4R7M2
Canada

General Property

VARIOUS FITNESS EQUIPMENT, TREADMILL(S), UPRIGHT CYCLE(S), OPEN STRIDE(S), BICYCLE(S), CROSSRAMP(S), TRAINING STATION(S), WEIGHT(S), CLIMBER(S), KRANKCYCLE(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 28-Oct-2008 09:23:06

Registration #: 300390197
Expiry Date: 28-Oct-2014

Event Type: Setup
Transaction Reason: Regular

Transaction Description: New Setup

Notations

Trust Indenture: No

Registrant

Party ID: 150246957 - 1	Address: 33 BLOOR ST. E. 3RD FLOOR
Entity Type: Business	TORONTO, Ontario
Name: XEROX CANADA LTD	M4W3H1
	Canada

Secured Party

Item #: 1	Address: 33 BLOOR ST. E. 3RD FLOOR
Party ID: 150246957 - 1	TORONTO, Ontario
Entity Type: Business	M4W3H1
Name: XEROX CANADA LTD	Canada

Debtor Party

* Item #: 1	Address: 358 MCCARTHY BLVD N
Party ID: 150768881 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: FAMILY FITNESS INC	Canada
Item #: 2	Address: 358 MCCARTHY BLVD N
Party ID: 150768882 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: GOLD'S GYM REGINA	Canada

General Property

EQUIPMENT, OTHER ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE THEREOF.



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 18-Nov-2008 15:33:23

Registration #: 300397826
Expiry Date: 18-Nov-2013

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID: 150000519 - 1
Entity Type: Business
Name: Canadian Securities Registration Systems

Address: 4126 Norland Avenue
Burnaby, British Columbia
V5G3S8
Canada

Secured Party

Item #: 1
Party ID: 150782261 - 1
Entity Type: Business
Name: CANADIAN IMPERIAL BANK OF COMMERCE

Address: 1900 COMMERCE PLACE 10155 102 STREET
Edmonton, Alberta
T5J4G8
Canada

Debtor Party

*** Item #:** 1
Party ID: 150782257 - 1
Entity Type: Business
Name: Family Fitness Inc

Address: 358 McCarthy Blvd N
Regina, Saskatchewan
S4R7M2
Canada

Item #: 2
Party ID: 150782258 - 1
Entity Type: Business
Name: Gold's Gym Regina

Address: 358 McCarthy Blvd N
Regina, Saskatchewan
S4R7M2
Canada

General Property

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL
PROPERTY.



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 01-Oct-2010 13:45:56

Registration #: 300641693
Expiry Date: 01-Oct-2014

Event Type: Amendment
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID: 151005443 - 1	Address: 1525 BUFFALO PLACE
Entity Type: Business	WINNIPEG, Manitoba
Name: NATIONAL LEASING GROUP INC.	R3T1L9
	Canada

Secured Party

Item #: 1	Address: 1525 BUFFALO PLACE
Party ID: 151005443 - 1	WINNIPEG, Manitoba
Entity Type: Business	R3T1L9
Name: NATIONAL LEASING GROUP INC.	Canada

Debtor Party

* Item #: 1	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151196199 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: FAMILY FITNESS INC	Canada
Item #: 2	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151111275 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R7M2
Name: GOLD'S GYM REGINA	Canada
Item #: 3	Address: 358 MCCARTHY BOULEVARD N
Party ID: 151179038 - 1	REGINA, Saskatchewan
Entity Type: Person	S4R7M2
Name: KAISS, SAID	Canada
Birth Date: 10-Nov-1981	
Item #: 4	Address: 3615 PASQUA ST
Party ID: 151216337 - 1	REGINA, Saskatchewan
Entity Type: Business	S4S6W8
Name: SKJ FITNESS INC	Canada
Item #: 5	Address: 3615 PASQUA ST
Party ID: 151216338 - 1	REGINA, Saskatchewan
Entity Type: Business	S4S6W8
Name: GOLD'S GYM	Canada

General Property

ALL FIXED COMPUTER EQUIPMENT, SOFTWARE, THINKCENTRE COMPUTERS, AND MONITORS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2513705 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 01-Oct-2010 13:45:56

Registration #: 300641693
Transaction #: 1
Expiry Date: 01-Oct-2014

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No



Saskatchewan Personal Property Registry Search Result

Registrant

Party ID: 151005443 - 1
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1525 BUFFALO PLACE
WINNIPEG, Manitoba
R3T1L9
Canada

Secured Party

Item #: 1
Party ID: 151005443 - 1
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1525 BUFFALO PLACE
WINNIPEG, Manitoba
R3T1L9
Canada

Debtor Party

Item #: 1
Party ID: 151196199 - 1
Entity Type: Business
Name: FAMILY FITNESS INC

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 2
Party ID: 151111275 - 1
Entity Type: Business
Name: GOLD'S GYM REGINA

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

Item #: 3
Party ID: 151179038 - 1
Entity Type: Person
Name: KAISS, SAID
Birth Date: 10-Nov-1981

Address: 358 MCCARTHY BOULEVARD N
REGINA, Saskatchewan
S4R7M2
Canada

General Property

ALL FIXED COMPUTER EQUIPMENT, SOFTWARE, THINKCENTRE COMPUTERS, AND MONITORS OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2513705 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

History - Amendment

Amendment Date: 05-Nov-2010 12:21:52

Registration #: 300641693

Event Type: Amendment

Transaction #: 2

Transaction Reason: Regular

Registrant

Party ID: 151005443 - 1
Entity Type: Business
Name: NATIONAL LEASING GROUP INC.

Address: 1525 BUFFALO PLACE
WINNIPEG, Manitoba
R3T1L9
Canada

Debtor Party

Action: Add
Item #: 4
Party ID: 151216337 - 1
Entity Type: Business
Name: SKJ FITNESS INC

Address: 3615 PASQUA ST
REGINA, Saskatchewan
S4S6W8
Canada

Action: Add
Item #: 5
Party ID: 151216338 - 1
Entity Type: Business
Name: GOLD'S GYM

Address: 3615 PASQUA ST
REGINA, Saskatchewan
S4S6W8
Canada



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 21-Dec-2010 15:56:32

Registration #: 300669823
Expiry Date: 21-Dec-2014

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID: 150000519 - 1
Entity Type: Business
Name: Canadian Securities Registration Systems

Address: 4126 Norland Avenue
Burnaby, British Columbia
V5G3S8
Canada

Secured Party

Item #: 1
Party ID: 150862268 - 1
Entity Type: Business
Name: FinanciaLinx Corporation

Address: 2001 Sheppard Ave E, 6th Flr
Toronto, Ontario
M2J4Z8
Canada

Debtor Party

Item #: 1
Party ID: 151242186 - 1
Entity Type: Person
Name: KAISS, SAID WASSIM
Birth Date: 10-Nov-1981

Address: 1001-1914 HAMILTON STREET
Regina, Saskatchewan
S4P3N6
Canada

*** Item #:** 2
Party ID: 151242187 - 1
Entity Type: Business
Name: FAMILY FITNESS INC

Address: 358 MCCARTHY BLVD N
Regina, Saskatchewan
S4R7M2
Canada

Serial Property

Item #: 1
Serial Type: Motor Vehicle
Serial #: SALSP2E42BA274317
Override: No

Year: 2011
Make/Desc.: LAND ROVER
Model: RR SPORT SC
Color:



**Saskatchewan
Personal Property Registry
Search Result**

Current/Setup - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 31-Jul-2013 10:58:10

Registration #: 301061618
Expiry Date: 31-Jan-2017

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID: 150000157 - 3	Address: 1525 BUFFALO PLACE
Entity Type: Business	WINNIPEG, Manitoba
Name: NATIONAL LEASING GROUP INC.	R3T1L9
	Canada

Secured Party

Item #: 1	Address: 1525 BUFFALO PLACE
Party ID: 150000157 - 3	WINNIPEG, Manitoba
Entity Type: Business	R3T1L9
Name: NATIONAL LEASING GROUP INC.	Canada

Debtor Party

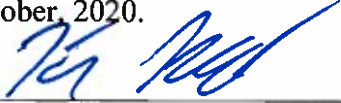
*Item #: 1	Address: 358 MCCARTHY BLVD
Party ID: 151886446 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R6A7
Name: FAMILY FITNESS INC	Canada
Item #: 2	Address: 358 MCCARTHY BLVD
Party ID: 151886447 - 1	REGINA, Saskatchewan
Entity Type: Business	S4R6A7
Name: GOLD'S GYM REGINA NORTH	Canada

General Property

ALL SPORTS EQUIPMENT-ELITEBOOK FOLIO, BODY COMPOSITE ANALYZER OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2632715 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

End of Search Result

This is Exhibit "F" referred to in
the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor



Saskatchewan Personal Property Registry Search Result

Searching Party: THE W LAW GROUP LLP
Search Date: 07-Oct-2020 11:06:50
Search Type: Standard

Search #: 203397746
Client Reference: 44883-1 AF
Control #:

Search Criteria

Search By: Business Debtor Name

Business Name

Family Fitness

The following list displays all matches & indicates the ones that were selected.

11 Registration(s) Found: Exacts (0) - Similar (11)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Similar	302013541	Personal Property Security Agreement	FAMILY FITNESS INC	REGINA	N/A
Yes	Similar	302059064	Personal Property Security Agreement	FAMILY FITNESS INC	REGINA	N/A
Yes	Similar	300430260	Personal Property Security Agreement	FAMILY FITNESS INC.	REGINA	N/A
Yes	Similar	301093282	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A
Yes	Similar	301278684	Personal Property Security Agreement	FAMILY FITNESS INC.	REGINA	N/A
Yes	Similar	301370028	Personal Property Security Agreement	FAMILY FITNESS INC.	Regina	N/A
Yes	Similar	301413805	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A
Yes	Similar	301449754	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A
Yes	Similar	301724997	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A
Yes	Similar	301725009	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A
Yes	Similar	301725011	Personal Property Security Agreement	Family Fitness Inc.	Regina	N/A



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 09-Mar-2020 15:31:57

Registration #: 302013541
Expiry Date: 09-Mar-2022

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: Yes

Registrant

Party ID:	150041265-1	Address:	609 WINNIPEG STREET
Entity Type:	Business		REGINA, SASK
Name:	AUTO GALLERY 1994 LTD		S4R8P2
			Canada

Secured Party

Item #:	1	Address:	609 WINNIPEG ST
Party ID:	152644036-1		REGINA, Saskatchewan
Entity Type:	Business		S4R8P2
Name:	OLYMPIC LEASING CORP		Canada

Debtor Party

* Item #:	1	Address:	3615 PASQUA ST
Party ID:	153420166-1		REGINA, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	FAMILY FITNESS INC		Canada

Serial Property

Item #:	1	Year:	2020
Serial Type:	Motor Vehicle	Make/Desc:	FORD
Serial #:	1FMJU2AT0LEA22645	Model:	EXPEDITION
Override:	No	Color:	WHITE



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 21-Jul-2020 12:46:36

Registration #: 302059064
Expiry Date: 21-Jul-2022

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: Yes

Registrant

Party ID:	150041265-1	Address:	609 WINNIPEG STREET
Entity Type:	Business		REGINA, SASK
Name:	AUTO GALLERY 1994 LTD		S4R8P2
			Canada

Secured Party

Item #:	1	Address:	609 WINNIPEG ST
Party ID:	153326772-1		REGIN, Saskatchewan
Entity Type:	Business		S4R8P2
Name:	OLYMPIC LEASING CORP		Canada

Debtor Party

* Item #:	1	Address:	3615 PASQUA ST
Party ID:	153420166-1		REGINA, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	FAMILY FITNESS INC		Canada

Serial Property

Item #:	1	Year:	2020
Serial Type:	Motor Vehicle	Make/Desc:	FOIRD
Serial #:	1FTEW1E46LKE30789	Model:	F150
Override:	No	Color:	BLACK



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 03-Mar-2009 09:46:35

Registration #: 300430260
Expiry Date: 03-Mar-2024

Event Type: Amendment
Transaction Reason: Regular

Transaction Description: Renewal – Lifetime changed.

Notations

Trust Indenture: NO

Registrant

Party ID:	152624833-1	Address:	2 Robert Speck Parkway, 15th FL
Entity Type:	Business		Mississauga, Ontario
Name:	D+H Limited Partnership		L4Z1H8 Canada

Secured Party

Item #:	1	Address:	305 MILNER AVE 5TH FLOOR
Party ID:	150436559-2		TORONTO, Ontario
Entity Type:	Business		M1B3V4
Name:	CANADIAN IMPERIAL BANK OF COMMERCE		Canada

Debtor Party

* Item #:	2	Address:	358 MCCARTHY BLVD N
Party ID:	150270483-1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	FAMILY FITNESS INC.		Canada

General Property

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 03-Mar-2009 09:46:35

Registration #: 300430260
Transaction #: 1
Expiry Date: 03-Mar-2014

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO



Saskatchewan Personal Property Registry Search Result

Registrant

Party ID:	150000519-1	Address:	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	Address:	322 MCCARTHY BLVD. N.
Party ID:	150436559-1		Regina, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	CANADIAN IMPERIAL BANK OF COMMERCE		Canada

Debtor Party

Item #:	1	Address:	3615 Pasqua St
Party ID:	150839583-1		Regina, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	SKJ Fitness		Canada

General Property

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

History - Amendment

Amendment Date: 03-Mar-2009 13:00:41

Registration #: 300430260

Transaction #: 2

Event Type: Amendment

Transaction Reason: Regular

Registrant

Party ID:	150242198-1	Address:	4126 NORLAND AVENUE
Entity Type:	Business		BURNABY, British Columbia
Name:	CANADIAN SECURITIES REGISTRATION SYSTEMS		V5G3S8
			Canada

Debtor Party

Action:	Update		
Item #:	1	Address:	3615 Pasqua St
Party ID:	150839846-1		Regina, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	SKJ Fitness Inc.		Canada

History - Amendment

Amendment Date: 02-Jan-2014 09:44:10

Registration #: 300430260

Transaction #: 3

Expiry Date: 03-Mar-2019

Event Type: Amendment



Saskatchewan Personal Property Registry Search Result

Transaction Reason: Regular

Transaction Description: Renewal – Lifetime changed.

Life Time: Life Time Amended

Registrant

Party ID:	151689869-1	Address:	939 Eglinton Avenue East, Suite 201
Entity Type:	Business		Toronto, Ontario
Name:	D+H Limited Partnership		M4G4H7 Canada

History - Amendment

Amendment Date: 19-Nov-2014 11:38:14

Registration #: 300430260

Transaction #: 4

Event Type: Amendment

Transaction Reason: Regular

Registrant

Party ID:	151689869-1	Address:	939 Eglinton Avenue East, Suite 201
Entity Type:	Business		Toronto, Ontario
Name:	D+H Limited Partnership		M4G4H7 Canada

Secured Party

Action:	Update		
Item #:	1	Address:	305 MILNER AVE 5TH FLOOR
Party ID:	150436559-2		TORONTO, Ontario
Entity Type:	Business		M1B3V4
Name:	CANADIAN IMPERIAL BANK OF COMMERCE		Canada

Debtor Party

Action:	Delete		
Item #:	1	Address:	3615 Pasqua St
Party ID:	150839846-1		Regina, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	SKJ Fitness Inc.		Canada
Action:	Add		
Item #:	2	Address:	358 MCCARTHY BLVD N
Party ID:	150270483-1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	FAMILY FITNESS INC.		Canada

History - Amendment

Amendment Date: 02-Jan-2019 09:04:24



Saskatchewan Personal Property Registry Search Result

Registration #: 300430260
Transaction #: 5
Expiry Date: 03-Mar-2024

Event Type: Amendment
Transaction Reason: Regular

Transaction Description: Renewal – Lifetime changed.

Life Time: Life Time Amended

Registrant

Party ID:	152624833-1	Address:	2 Robert Speck Parkway, 15th FL
Entity Type:	Business		Mississauga, Ontario
Name:	D+H Limited Partnership		L4Z1H8
			Canada



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 07-Oct-2013 14:15:16

Registration #: 301093282
Expiry Date: 07-Oct-2023

Event Type: Setup
Transaction Reason: Regular

Transaction Description: registration

Notations

Trust Indenture: No

Registrant

Party ID:	150241485-1	Address:	#500, 128 - 4TH AVENUE SOUTH
Entity Type:	Business		SASKATOON, Saskatchewan
Name:	CUELENAERE KENDALL KATZMAN ET AL		S7K1M8 Canada

Secured Party

Item #:	1	Address:	210 Brookhurst Crescent
Party ID:	151937531-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7V1C5
Name:	BTA Real Estate Group Inc.		Canada

Debtor Party

* Item #:	1	Address:	1500-1874 Scarth Street
Party ID:	151937532-1		Regina, Saskatchewan
Entity Type:	Business		S4P4E9
Name:	Family Fitness Inc.		Canada

General Property

All personal property of the debtor now owned or hereafter acquired and all proceeds of whatever kind realized therefrom



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 09-Dec-2014 12:39:45

Registration #: 301278684
Expiry Date: 09-Dec-2024

Event Type: Amendment
Transaction Reason: Regular

Transaction Description: Renewal – Lifetime changed.

Notations

Trust Indenture: NO

Registrant

Party ID:	152624833-1	Address:	2 Robert Speck Parkway, 15th FL
Entity Type:	Business		Mississauga, Ontario
Name:	D+H Limited Partnership		L4Z1H8 Canada

Secured Party

Item #:	1	Address:	305 Milner 6th Floor
Party ID:	151741764-1		Scarborough, Ontario
Entity Type:	Business		M1B3V4
Name:	Canadian Imperial Bank of Commerce		Canada

Debtor Party

* Item #:	1	Address:	358 MCCARTHY BLVD N
Party ID:	150270483-1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	FAMILY FITNESS INC.		Canada

General Property

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 09-Dec-2014 12:39:45

Registration #: 301278684
Transaction #: 1
Expiry Date: 09-Dec-2019

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID:	151689869-1	Address:	939 Eglinton Avenue East, Suite 201
Entity Type:	Business		Toronto, Ontario
Name:	D+H Limited Partnership		M4G4H7 Canada



Saskatchewan Personal Property Registry Search Result

Secured Party

Item #:	1	Address:	305 Milner 6th Floor
Party ID:	151741764-1		Scarborough, Ontario
Entity Type:	Business		M1B3V4
Name:	Canadian Imperial Bank of Commerce		Canada

Debtor Party

Item #:	1	Address:	358 MCCARTHY BLVD N
Party ID:	150270483-1		REGINA, Saskatchewan
Entity Type:	Business		S4R7M2
Name:	FAMILY FITNESS INC.		Canada

General Property

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

History - Amendment

Amendment Date: 10-Oct-2019 09:02:50

Registration #: 301278684

Transaction #: 2

Expiry Date: 09-Dec-2024

Event Type: Amendment

Transaction Reason: Regular

Transaction Description: Renewal – Lifetime changed.

Life Time: Life Time Amended

Registrant

Party ID:	152624833-1	Address:	2 Robert Speck Parkway, 15th FL
Entity Type:	Business		Mississauga, Ontario
Name:	D+H Limited Partnership		L4Z1H8
			Canada



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 28-Jul-2015 15:22:40

Registration #: 301370028
Expiry Date: 28-Jul-2021

Event Type: Amendment
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID:	150000519-1	Address:	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8 Canada

Secured Party

Item #:	1	Address:	3450 SUPERIOR COURT, UNIT 1
Party ID:	151656048-1		OAKVILLE, Ontario
Entity Type:	Business		L6L0C4
Name:	De Lage Landen Financial Services Canada Inc.		Canada

Debtor Party

* Item #:	1	Address:	2101 QUANCE STREET
Party ID:	152379810-1		Regina, Saskatchewan
Entity Type:	Business		S4Z1A4
Name:	FAMILY FITNESS INC.		Canada

General Property

All personal property of the debtor financed by the secured party, wherever situated, consisting of TECHNOGYM FITNESS EQUIPMENT AS PER TECHNOGYM PROPOSAL #10120407/0001126427 AND SALES ORDER #SDE 116026, together with all parts and accessories relating thereto, all attachments, accessories and accessions thereto or thereon, all replacements, substitutions, additions and improvements of all or any part of the foregoing and all proceeds in any form derived therefrom.

Proceeds: all of the debtor's present and after acquired personal property which is derived, directly or indirectly, from any dealing with or disposition of the above-described collateral, including without limitation, all insurance and other payments payable as indemnity or compensation for loss or damage thereto, accounts, rents or other payments arising from the lease of the above-described collateral, goods, chattel paper, investment property, documents of title, instruments, money, cheques, deposits, securities and intangibles.

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 28-Jul-2015 15:22:40

Registration #: 301370028
Transaction #: 1
Expiry Date: 28-Jul-2020



Saskatchewan Personal Property Registry Search Result

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: NO

Registrant

Party ID:	150000519-1	Address:	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	Address:	3450 SUPERIOR COURT, UNIT 1
Party ID:	151656048-1		OAKVILLE, Ontario
Entity Type:	Business		L6L0C4
Name:	De Lage Landen Financial Services Canada Inc.		Canada

Debtor Party

Item #:	1	Address:	2101 QUANCE STREET
Party ID:	152379810-1		Regina, Saskatchewan
Entity Type:	Business		S4Z1A4
Name:	FAMILY FITNESS INC.		Canada

General Property

All personal property of the debtor financed by the secured party, wherever situated, consisting of TECHNOGYM FITNESS EQUIPMENT AS PER TECHNOGYM PROPOSAL #10120407/0001126427 AND SALES ORDER #SDE 116026, together with all parts and accessories relating thereto, all attachments, accessories and accessions thereto or thereon, all replacements, substitutions, additions and improvements of all or any part of the foregoing and all proceeds in any form derived therefrom.

Proceeds: all of the debtor's present and after acquired personal property which is derived, directly or indirectly, from any dealing with or disposition of the above-described collateral, including without limitation, all insurance and other payments payable as indemnity or compensation for loss or damage thereto, accounts, rents or other payments arising from the lease of the above-described collateral, goods, chattel paper, investment property, documents of title, instruments, money, cheques, deposits, securities and intangibles.

History - Amendment

Amendment Date: 27-Oct-2015 15:18:22

Registration #: 301370028

Transaction #: 2

Expiry Date: 28-Jul-2021

Event Type: Amendment
Transaction Reason: Regular

Life Time: Life Time Amended



Saskatchewan Personal Property Registry Search Result

Registrant

Party ID:	150000519-1	Address:	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 06-Nov-2015 11:35:27

Registration #: 301413805
Expiry Date: 06-Nov-2020

Event Type: Setup
Transaction Reason: Regular

Transaction Description: SKReg

Notations

Trust Indenture: NO

Registrant

Party ID:	151493012-1	Address:	201-1325 Polson Dr.
Entity Type:	Business		Vernon, British Columbia
Name:	AVS Systems Inc.		V1T8H2 Canada

Secured Party

Item #:	1	Address:	PO Box 5089
Party ID:	151040895-1		Evansville, Indiana
Entity Type:	Business		47716
Name:	Fifth Third Bank		United States of America
Item #:	2	Address:	3700 Morgan Ave.
Party ID:	151040896-1		Evansville, Indiana
Entity Type:	Business		47715
Name:	ULI CANADA INC.		United States of America

Debtor Party

* Item #:	1	Address:	1500, 1874 Scarth Street
Party ID:	152446226-1		Regina, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	Family Fitness Inc.		Canada

General Property

LEASE #3000240001 VENDOR: JOHNSON HEALTH TECH NORTH AMERICA, INC. AKA MATRIX FITNESS 18 MATRIX - T7XE TREADMILL)- W/20 PK VIRTUAL ACTIVE , 8 MATRIX - C7XE CLIMBMILL W/20 PK VIRTUAL ACTIVE , 1 ASCENT A7XE-05 20 PK VA , 3 ASCENT ALB7XE-01 -20 PK VA , 3 STEPPER S7XE-03 20 PK VA , 2 HYBRID H7XE-05 20 PK VA , 3 RECUMBENT R7XE-05 20 PK VA , 4 UPRIGHT U7XE-05 20 PK VA , 30 1C7 MX SPIN BIKE , 1 NAFC ICGCCP1 COACH BY COLOR POWER , 3 MAGNUM SERIES- MEGA POWER RACK 8' , 1 SIDE MOUNT PULL UP BAR 2 SINGLE MEGA IS , 1 MAGNUM SERIES- CORE HANDLE , 2 MAGNUM SERIES - LAND MINE ATTACHMENT (FOR MEGA POWER RACKS , 1 BATTLE ROPE ATTACHMENT - MEGA RACKS , 2 INCLINE! DECLINE LADDER - 10 FOOT , 2 STRAIGHT LADDER - 10 FOOT , 4 MAGNUM SERIES MOUNTING KIT IS , 3 MAGNUM SERIES - MEGA HARDWOOD INSERT P OTM (FOR OPEN POWER RACK) , 3 MAGNUM SERIES- CUSTOM PLATFORM LOGO , 1 VARSITY SERIES PL - ANGLED SMITH MACHINE , 1 MATRIX - G3MS80 8-STACK MULTI-STATION , 1 MATRIX - FUNCTIONAL TRAINER-400 LB , 1 MATRIX - G3S60 DIP CHIN , 1 MATRIX - 07S71 LEG EXTENSION , 1 MATRIX - G7S72 SEATED LEG CURL , 1 MATRIX - G7S73 PRONE LEG CURL , 1 MATRIX G7S78 GLUTE , 1 VERSA HIP ADDUCTION/ABDUCTION , 1 MATRIX - G7S40 BICEPS CURL , 1 MATRIX - G7S42 SEATED TRICEPS DIP , 2 MATRIX - G7S13 CONVERGING CHEST PRESS , 1 MATRIX - G7S12 PECTORAL FLY , 1 MATRIX - G7S33 DIVERGING LAT PULL , 1 MATRIX - G7S23 CONVERGING SHOULDER PRESS , 1 MAGNUM SERIES RN - VKR W/CHIN , 1 MATRIX MG VERTICAL BENCH PRESS , 1 MATRIX MG HACK SQUAT , 2 MATRIX MG 45 DEGREE LEG PRESS , 1 MATRIX MG INCLINE BENCH PRESS , 1 MATRIX MG LET PULLDOWN , 1 MATRIX MG SEATED CALF , 1 MATRIX MG SEATED ROW , 1 MATRIX MG SQUAT/LUNGE , 1 MATRIX MG SHOULDER PRESS , 1 MATRIX MG AB CRUNCH BENCH , 1 MATRIX MG VERTICAL DECLINE BENCH PRESS , 1 MAGNUM SERIES FW - BREAKER OLYMPIC DECLINE BENCH (W/STORAGE HORNS) , 3 MAGNUM SERIES FW - BREAKER OLYMPIC FLAT BENCH (W/STORAGE HORNS) , 2 MAGNUM SERIES RN - BREAKER OLYMPIC INCLINE BENCH (W/STORAGE HORNS) , 1 MAGNUM SERIES RN - BREAKER OLYMPIC SHOULDER BENCH (W/STORAGE HORNS) , 6 MG A-SERIES OPTIONAL SPOTTER PLATFORM , 4 MATRIX - G3FVW80 MULTI-ADJ BENCH , 2 MATRIX - G3FW81 FLAT BENCH , 1 MATRIX BACK



Saskatchewan Personal Property Registry Search Result

EXTENSION BENCH , 2 MATRIX - G3FW84 UTILITY BENCH - , 2 MAGNUM SERIES FW - ADJUSTABLE AB BENCH , 1 MAGNUM SERIES FAN - STANDING ARM CURL , 1 MATRIX - G3FW83 ADJ DECLINE BENCH , 1 MATRIX - FUNCTIONAL TRAINER-400 LB- WOMEN'S ONLY , 1 VARSITY SERIES PL - ANGLED SMITH MACHINE — WOMEN'S ONLY , 1 VERSA HIP ADDUCTION/ABDUCTION — WOMEN'S ONLY — , 1 VERSA LEG EXTENSION -- WOMEN'S ONLY — , 1 VERSA LEG PRESS -- WOMEN'S ONLY — , 1 VERSA SEATED LEG CURL — WOMEN'S ONLY — , 1 VERSA PLUS PACKAGE -- WOMEN'S ONLY — , 1 MATRIX - G3FW83 ADJ DECLINE BENCH — WOMEN'S ONLY , 1 MATRIX - G3FVV80 MULTI-ADJ BENCH — WOMEN'S ONLY— , 1 MATRIX BACK EXTENSION BENCH -- WOMEN'S ONLY -- , 1 MATRIX - G3FW96 BARBELL RACK — WOMEN'S ONLY — , 1 AB BBS1-STR-20LB SERIES I BARBELL — WOMEN'S ONLY -- , 1 AB BBS1-STR-30LB SERIES I BARBELL — WOMEN'S ONLY -- , 1 AB BBS1-STR-40LB SERIES I BARBELL — WOMEN'S ONLY— , 1 AB BBS1-STR-50LB SERIES I BARBELL -- WOMEN'S ONLY — , 1 AB BBS1-S7R-60LB SERIES 1 BARBELL — WOMEN'S ONLY-- , 1 AB BBS2-EZ-20LB SERIES II BARBEL) CUD --- WOMEN'S ONLY , 1 ALL BBS2-EZ-30LB SERIES II BARBELL CURL — WOMEN'S ONLY , 1 AB BBS2-EZ-40LB SERIES II BARBELL CUD -- WOMEN'S ONLY , 1 AB BBS2-EZ-50LB SERIES II BARBELL CURL -- WOMEN'S ONLY , 2 CONNEXUS 3-SHELF STORAGE CART , 1 JOHNNY G IN-TRINITY BOARD BY MATRIX ANY EQUIPMENT DETAILED IN THE AFOREMENTIONED LEASE AGREEMENT AND PROCEEDS THEREOF



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 22-Feb-2016 15:15:36

Registration #: 301449754
Expiry Date: 22-Feb-2021

Event Type: Setup
Transaction Reason: Regular

Transaction Description: SKReg

Notations

Trust Indenture: NO

Registrant

Party ID:	151493012-1	Address:	201-1325 Polson Dr.
Entity Type:	Business		Vernon, British Columbia
Name:	AVS Systems Inc.		V1T8H2 Canada

Secured Party

Item #:	1	Address:	PO Box 5089
Party ID:	151040895-1		Evansville, Indiana
Entity Type:	Business		47716
Name:	Fifth Third Bank		United States of America
Item #:	2	Address:	3700 Morgan Ave.
Party ID:	151040896-1		Evansville, Indiana
Entity Type:	Business		47715
Name:	ULI CANADA INC.		United States of America

Debtor Party

* Item #:	1	Address:	1500, 1874 Scarth Street
Party ID:	152446226-1		Regina, Saskatchewan
Entity Type:	Business		S4S6W8
Name:	Family Fitness Inc.		Canada

General Property

LEASE #2500460001 VENDOR: JOHNSON HEALTH TECH NORTH AMERICA, INC. AKA MATRIX FITNESS 18 MATRIX - T7XE TREADMILL)- W/20 PK VIRTUAL ACTIVE 8 MATRIX - C7XE CLIMBMILL W/20 PK VIRTUAL ACTIVE 1 ASCENT A7XE-05 20 PK VA 3 ASCENT ALB7XE-01-20 PK VA 3 STEPPER S7XE-03 20 PK VA 2 HYBRID H7XE-05 20 PK VA 3 RECUMBENT R7XE-05 20 PK VA 4 UPRIGHT U7XE-05 20 PK VA 30 1C7 MX SPIN BIKE 1 NAFC ICGCCP1 COACH BY COLOR POWER 3 MAGNUM SERIES- MEGA POWER RACK 8' 1 SIDE MOUNT PULL UP BAR 2 SINGLE MEGA IS 1 MAGNUM SERIES- CORE HANDLE 2 MAGNUM SERIES - LAND MINE ATTACHMENT (FOR MEGA POWER RACKS 1 BATTLE ROPE ATTACHMENT - MEGA RACKS 2 INCLINE! DECLINE LADDER - 10 FOOT 2 STRAIGHT LADDER - 10 FOOT 4 MAGNUM SERIES MOUNTING KIT IS 3 MAGNUM SERIES - MEGA HARDWOOD INSERT P OTM (FOR OPEN POWER RACK) 3 MAGNUM SERIES- CUSTOM PLATFORM LOGO 1 VARSITY SERIES PL - ANGLED SMITH MACHINE 1 MATRIX - G3MS80 8-STACK MULTI-STATION 1 MATRIX - FUNCTIONAL TRAINER-400 LB 1 MATRIX - G3S60 DIP CHIN 1 MATRIX - 07S71 LEG EXTENSION 1 MATRIX - G7S72 SEATED LEG CURL 1 MATRIX - G7S73 PRONE LEG CURL 1 MATRIX G7S78 GLUTE 1 VERSA HIP ADDUCTION/ABDUCTION 1 MATRIX - G7540 BICEPS CURL 1 MATRIX - G7S42 SEATED TRICEPS DIP 2 MATRIX - G7S13 CONVERGING CHEST PRESS 1 MATRIX - G7S12 PECTORAL FLY 1 MATRIX - G7S33 DIVERGING LAT PULL 1 MATRIX - G7S23 CONVERGING SHOULDER PRESS 1 MAGNUM SERIES RN - VKR W/CHIN 1 MATRIX MG VERTICAL BENCH PRESS 1 MATRIX MG HACK SQUAT 2 MATRIX MG 45 DEGREE LEG PRESS 1 MATRIX MG INCLINE BENCH PRESS 1 MATRIX MG LET PULLDOWN 1 MATRIX MG SEATED CALF 1 MATRIX MG SEATED ROW 1 MATRIX MG SQUAT/LUNGE 1 MATRIX MG SHOULDER PRESS 1 MATRIX MG AB CRUNCH BENCH 1 MATRIX MG VERTICAL DECLINE BENCH PRESS 1 MAGNUM SERIES FW - BREAKER OLYMPIC DECLINE BENCH (W/STORAGE HORNS) 3 MAGNUM SERIES FW - BREAKER OLYMPIC FLAT BENCH (W/STORAGE HORNS) 2 MAGNUM SERIES RN - BREAKER OLYMPIC INCLINE BENCH (W/STORAGE HORNS) 1 MAGNUM SERIES RN - BREAKER OLYMPIC SHOULDER BENCH (W/STORAGE HORNS) 6 MG A-SERIES OPTIONAL SPOTTER PLATFORM 4 MATRIX - G3FV80 MULTI-ADJ BENCH 2 MATRIX - G3FW81 FLAT BENCH 1 MATRIX BACK EXTENSION BENCH 2 MATRIX - G3FW84 UTILITY BENCH - 2 MAGNUM SERIES



Saskatchewan Personal Property Registry Search Result

FW - ADJUSTABLE AB BENCH 1 MAGNUM SERIES FAN - STANDING ARM CURL 1 MATRIX - G3FW83 ADJ DECLINE BENCH 1 MATRIX - FUNCTIONAL TRAINER-400 LB- WOMEN'S ONLY 1 VARSITY SERIES PL - ANGLED SMITH MACHINE — WOMEN'S ONLY 1 VERSA HIP ADDUCTION/ABDUCTION — WOMEN'S ONLY — 1 VERSA LEG EXTENSION -- WOMEN'S ONLY — 1 VERSA LEG PRESS -- WOMEN'S ONLY — 1 VERSA SEATED LEG CURL — WOMEN'S ONLY — 1 VERSA PLUS PACKAGE -- WOMEN'S ONLY — 1 MATRIX - G3FW83 ADJ DECLINE BENCH — WOMEN'S ONLY 1 MATRIX - G3FVV80 MULTI-ADJ BENCH — WOMEN'S ONLY— 1 MATRIX BACK EXTENSION BENCH -- WOMEN'S ONLY -- 1 MATRIX - G3FW96 BARBELL RACK — WOMEN'S ONLY — 1 AB BBS1-STR-20LB SERIES I BARBELL — WOMEN'S ONLY -- 1 AB BBS1-STR-30LB SERIES I BARBELL — WOMEN'S ONLY -- 1 AB BBS1-STR-40LB SERIES I BARBELL — WOMEN'S ONLY— 1 AB BBS1-STR-50LB SERIES I BARBELL -- WOMEN'S ONLY — 1 AB BBSI-S7R-60LB SERIES 1 BARBELL — WOMEN'S ONLY-- 1 AB BBS2-EZ-20LB SERIES II BARBEL) CUD --- WOMEN'S ONLY 1 ALL BBS2-EZ-30LB SERIES II BARBELL CURL — WOMEN'S ONLY 1 AB BBS2-EZ-40LB SERIES II BARBELL CUD -- WOMEN'S ONLY 1 AB BBS2-EZ-50LB SERIES II BARBELL CURL -- WOMEN'S ONLY 2 CONNEXUS 3-SHELF STORAGE CART 1 JOHNNY G IN-TRINITY BOARD BY MATRIX ANY EQUIPMENT DETAILED IN THE AFOREMENTIONED LEASE AGREEMENT AND PROCEEDS THEREOF



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 31-Jan-2018 14:24:52

Registration #: 301724997
Expiry Date: 31-Jan-2021

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID:	152810865-1	Address:	#500, 128 - 4TH AVENUE SOUTH
Entity Type:	Business		SASKATOON, Saskatchewan
Name:	CUELENAERE LLP		S7K1M8
			Canada

Secured Party

Item #:	1	Address:	500 - 128 4th Ave S
Party ID:	152938233-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7K1M8
Name:	Clubfit Fitness Inc.		Canada

Debtor Party

* Item #:	1	Address:	1500, 1874 Scarth St.
Party ID:	152938234-1		Regina, Saskatchewan
Entity Type:	Business		S4P4E9
Name:	Family Fitness Inc.		Canada

General Property

Purchase money security interest in all Memberships and Customer Contracts as well as all membership dues, revenues or any other amounts whatsoever received by the Debtor or to be paid to the Debtor at any time arising from the Memberships and the Customer Contracts acquired by the Debtor from the Secured Party, together with all proceeds of whatever kind realized therefrom.



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement
Registration Date: 31-Jan-2018 14:36:27

Registration #: 301725009
Expiry Date: 31-Jan-2021

Event Type: Setup
Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID:	152810865-1	Address:	#500, 128 - 4TH AVENUE SOUTH
Entity Type:	Business		SASKATOON, Saskatchewan
Name:	CUELENAERE LLP		S7K1M8
			Canada

Secured Party

Item #:	1	Address:	500 - 128 4th Ave S
Party ID:	152938257-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7K1M8
Name:	Shapelys Toning and Diet Centre Ltd.		Canada

Debtor Party

* Item #:	1	Address:	1500, 1874 Scarth St.
Party ID:	152938234-1		Regina, Saskatchewan
Entity Type:	Business		S4P4E9
Name:	Family Fitness Inc.		Canada

General Property

Purchase money security interest in all Memberships and Customer Contracts as well as all membership dues, revenues or any other amounts whatsoever received by the Debtor or to be paid to the Debtor at any time arising from the Memberships and the Customer Contracts acquired by the Debtor from the Secured Party, together with all proceeds of whatever kind realized therefrom.



Saskatchewan Personal Property Registry Search Result

Current - Similar

Registration Type: Personal Property Security Agreement

Registration Date: 31-Jan-2018 14:43:03

Registration #: 301725011

Expiry Date: 31-Jan-2021

Event Type: Setup

Transaction Reason: Regular

Notations

Trust Indenture: No

Registrant

Party ID:	152810865-1	Address:	#500, 128 - 4TH AVENUE SOUTH
Entity Type:	Business		SASKATOON, Saskatchewan
Name:	CUELENAERE LLP		S7K1M8
			Canada

Secured Party

Item #:	1	Address:	500 - 128 4th Ave S
Party ID:	152938261-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7K1M8
Name:	KTB Lifestyles Ltd.		Canada

Debtor Party

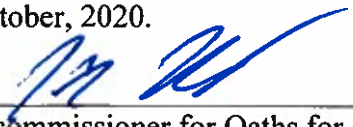
* Item #:	1	Address:	1500, 1874 Scarth St.
Party ID:	152938234-1		Regina, Saskatchewan
Entity Type:	Business		S4P4E9
Name:	Family Fitness Inc.		Canada

General Property

Purchase money security interest in all Memberships and Customer Contracts as well as all membership dues, revenues or any other amounts whatsoever received by the Debtor or to be paid to the Debtor at any time arising from the Memberships and the Customer Contracts acquired by the Debtor from the Secured Party, together with all proceeds of whatever kind realized therefrom.

End of Search Result

This is Exhibit "G" referred to
in the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

GENERAL SECURITY AGREEMENT

BETWEEN:

SAID KAISS,
of the City of Regina in the Province of Saskatchewan
(the "Debtor")

OF THE FIRST PART

AND:

BTA REAL ESTATE GROUP INC.,
a corporation under
The Business Corporations Act (Saskatchewan)
(the "Secured Party")

OF THE SECOND PART

1. **Grant of Security Interest**

In consideration of the sum of **Ten (\$10.00)** Dollars and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Debtor), the Debtor hereby grants to the Secured Party a security interest (the "Security Interest") in the property of the Debtor described in Section 2 hereof (the "Collateral") as a general and continuing collateral security for the payment and performance of all present and future obligations, indebtedness and liabilities of the Debtor to the Secured Party from time to time outstanding (the "Obligations").

2. **Description of Collateral**

- a) all personal property of the Debtor, now owned or hereafter acquired;
- b) all property in any form derived directly or indirectly from any dealing with the property described in Subsection 2(a) or that indemnifies or compensates for such of the said property as is destroyed or damaged; and
- c) if a Schedule A is attached, the personal property described in Schedule A attached to this Security Agreement.

2. **Attachment of Security Interest**

The parties hereto hereby acknowledge that value has been given by the Secured Party to the Debtor and that no further value need be given for the Security Interest to attach to the Collateral. The Security Interest created by this Security Agreement shall attach to existing collateral when this Agreement is signed and delivered to the Secured Party and shall attach to after-acquired Collateral immediately upon the Debtor acquiring rights in

such Collateral. The parties do not intend to postpone attachment of any Security Interest created by this Agreement.

3. **Last Day of Leases, etc.**

It is hereby declared that the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by or for the Debtor and subjected or required to be subjected hereto is expressly excepted and excluded out of the Collateral and does not form part of same, but the Debtor shall stand possessed of the reversions remaining in the Debtor of any such leasehold interest for the time being devised as aforesaid upon trust for the Secured Party for the purposes of this Agreement, and shall assign and dispose of same as the Secured Party shall direct.

5. **Representations, Warranties & Covenants of Debtor**

The Debtor hereby represents and warrants to and covenants with the Secured Party that it:

- a) is or, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral free from any mortgage, lien, charge, encumbrance or security interest other than permitted encumbrances as defined in section 25 hereof;
- b) shall pay when the same become payable and keep the collateral free from all rents, taxes, assessments, claims, liens and encumbrances and shall promptly notify the Secured Party of any loss or damage to the Collateral or any part thereof;
- c) shall observe and perform all of his obligations under any leases, licences and other agreements to which it is a party and under the requirements of all governmental authorities to which it is subject in order to preserve and protect the Collateral;
- d) shall keep the Collateral in good, order, condition and repair;
- e) shall not use the Collateral in violation of any other agreement relating to it or of any policy of insurance insuring it or of any applicable statute, law, by-law, regulation, rule or ordinance;
- f) shall from time to time forthwith on request furnish to the Secured Party in writing all information requested relating to the Collateral or any part thereof, and shall permit a representative of the Secured Party at any reasonable time from time to time to inspect the Collateral and for that purpose to enter the Debtor's premises and any other location where the Collateral may be situated, and will pay the reasonable expenses of the Secured Party incurred thereby, including without limitation the reasonable remuneration and expenses of any person engaged by the Secured Party for such purpose; and

- g) shall pay all reasonable costs and expenses (including without limitation reasonable legal fees on a solicitor and his own client basis) of the Secured Party incurred with respect to the taking, recovering, collecting, processing, retaining, realizing or disposing of the Collateral or any part thereof and in any other proceedings taken for the purpose of enforcing the remedies provided for herein, or otherwise in relation to the Collateral or any part thereof or by reason of the non-payment or non-performance of the Obligations, and all such costs and expenses shall bear interest at the rate borne by the Obligations, shall be payable on demand and shall, together with such interest, be a first charge on the proceeds of any such realization or disposition.

6. **Continuing Security**

The Security Interest is a continuing security interest and is in addition to and not in substitution for and shall not merge with any other security or securities which the Secured Party now holds or from time to time may hold or take from the Debtor or any guarantor(s) on behalf of the Debtor, and it is contemplated that balances owing from time to time by the Debtor may be reduced or paid in full and further advances may be made to the Debtor on the basis of this Agreement.

7. **Sale or Disposition of Collateral**

The Debtor shall not without the prior written consent of the Secured Party:

- a) sell, lease or otherwise dispose of the Collateral or any part thereof; or
- b) release, surrender or abandon possession of the Collateral or any part thereof.

The Secured Party may, at its discretion, at any time or from time to time release from the Security Interest any part or parts of the Collateral or any other security or security for the Obligations, either with or without sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the Collateral or any person from this Security Agreement or from any of the covenants herein contained.

Every part of the Collateral into which the Collateral is or may be hereafter divided does and shall stand charged with payment of the Obligations and no person shall have the right to require the Obligations to be apportioned.

The Secured Party shall not be accountable to the Debtor for the value of any property or security released except for any moneys actually received by the Secured Party.

Notwithstanding any other provision of this Agreement, the Debtor may at any time, unless it is in default of any its Obligations, without the consent of the Secured Party:

- (a) Sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
- (b) Sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable of for the purpose for which it was intended; and
- (c) Collect accounts in the ordinary course of its business.

8. **Pledging of Collateral**

The Debtor shall not, without the prior written consent of the Secured Party, create, permit, assume, have outstanding or suffer to exist, any charge or encumbrance on the Collateral, or any part thereof, ranking or purporting to rank prior to or pari passu with the Security Interest, other than permitted encumbrances as described in section 25 hereof.

9. **Failure to Perform Covenants**

If the Debtor shall fail to perform any covenant on its part herein contained, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by it. If any such covenant requires the payment of money or if the Collateral shall become subject to any lien or charge ranking in whole or in part in priority to the Security Interest, the Secured Party may make such payment or pay or discharge the said lien or charge, but shall be under no obligation to do so. All sums so paid by the Secured Party shall immediately be payable by the Debtor to the Secured Party, shall bear interest at the rate borne by the Obligations until paid, and shall be secured by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

10. **Insurance**

- a) the Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof and shall either assign the insurance policies to the Secured Party or shall have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to it and held by it. Should the Debtor neglect to maintain such insurance the Secured Party may insure without obligation to do so and the premiums paid by the Secured Party shall be payable by the Debtor to the Secured Party in accordance with section 9 hereof.

- b) the Debtor acknowledges to the Secured Party that the Security Interest applies to all insurance proceeds in respect of the Collateral.
- c) in the event of loss or damage to the Collateral the Debtor shall, if the Secured Party so requests, apply the aforesaid insurance proceeds against the Obligations in such manner as the Secured Party, in its sole discretion, may determine; however, if the security constituted hereby has not become enforceable and if it is reasonable in the circumstances to rebuild, repair, replace or reinstate such Collateral and the Debtor is desirous of doing so, then such proceeds will be applied for such purpose. Where the aforesaid insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing or rebuilding the damaged Collateral, the receipt of the insurance proceeds shall not operate as payment or novation or in any way affect the security herein or any other security or covenants for or in respect of the Obligations.
- d) the Debtor shall forthwith give written notice to the Secured Party of all claims it makes under its insurance policies.

11. **Default**

The Secured Party may at its option, in writing, declare the Debtor to be in default under this Agreement and may declare the whole or any part of the unpaid balance of any Obligations secured by this Agreement immediately due and payable, if any of the following events occur:

- a) the Debtor fails to pay to the Secured Party as and when the same falls due any monies (whether by acceleration or otherwise and whether principal or interest) owing to the Secured Party in respect of the Obligations or under any other note, contract, security agreement or agreement between the Debtor and the Secured Party;
- b) the Debtor fails to perform any agreement, undertaking or covenant of the Debtor in this Agreement or any other agreement between the Debtor and the Secured Party;
- c) the occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of the Secured Party and/or any assignee of the Secured Party as their interests may appear;
- d) the Debtor, or any guarantor or surety hereon for the Debtor, ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, proposes a compromise or arrangement to its creditors, or takes proceedings under the *Companies' Creditors Arrangement Act*;

- e) the Debtor should be declared or otherwise become insolvent under the provisions of the *Bankruptcy and Insolvency Act* (Canada), any other comparative statute of Canada or any other relevant jurisdiction with respect to insolvency, or if receiver or a receiver and manager shall be appointed with respect to the Debtor or any of the Collateral;
- f) any execution, sequestration, or any other process of any Court becomes enforceable against the Debtor or any distress or analogous process is levied upon the Collateral or any part thereof; or
- g) the Secured Party, in good faith, on commercially reasonable grounds, believes that the prospect of payment or performance hereunder is impaired or that the Collateral or any part thereof is in danger of being lost, damaged or confiscated, or otherwise in jeopardy.

12. **Enforcement**

At any time after the security hereby constituted becomes enforceable, the Secured Party shall have the following rights and powers:

- a) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and servants therefrom;
- b) to preserve and maintain the Collateral and make such replacements therefor and additions thereto as it shall deem advisable;
- c) to enjoy and exercise all powers necessary to the performance of all functions provided for in this Security Agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in its own name and to advance its own money to the Debtor at such rates of interest as it may deem reasonable;
- d) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise in such manner and on such terms as to it may seem commercially reasonable, provided always that it shall not be incumbent on the Secured Party to sell, lease or dispose of the said property but that it shall be lawful for the Secured Party peaceably and quietly to take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction or hindrance of persons whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral sold; and
- e) to appoint by instrument any person to be a receiver, manager, receiver-manager, or receiver and manager (hereinafter called the "Receiver"), of the Collateral and to remove any Receiver so appointed and appoint another in his stead.

The Secured Party in appointing or refraining from appointing a Receiver shall not incur any liability to the Receiver, the Debtor or otherwise.

13. Powers of Receiver

Any Receiver appointed pursuant to the provisions of this Security Agreement shall for all purposes be deemed to be the agent of the Debtor and shall have all the powers of the Secured Party hereunder and in addition shall have the following powers:

- a) to carry on its business as it relates to the Collateral;
- b) with the consent of the Secured Party, to borrow money in the name of the Receiver or in the name of the Debtor for the purpose of carrying on the above-mentioned business of the Debtor and for the preservation and realization of the Collateral, including, without limitation, the right to make payments to parties having prior charges or encumbrances on properties on which the Debtor may hold charges or encumbrances; and
- c) to commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Collateral.

14. Additional Powers upon Default

In addition to the rights and powers provided in sections 12 and 13 hereof, the Secured Party and the Receiver shall each have the following rights and powers if the security hereby constituted becomes enforceable:

- a) the Secured Party and the Receiver shall have all the rights and remedies of a secured party under *The Personal Property Security Act, 1993* of the Province of Saskatchewan (and under comparable legislation in other Provinces of Canada) as amended from time to time;
- b) the Secured Party or the Receiver may dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- c) if the Secured Party or Receiver believes, on reasonable grounds, that any part of the Collateral will decline speedily in value, the Secured Party or the Receiver may sell or otherwise dispose of any part of the Collateral without giving any notice whatever; and
- d) at its option, provided notice is given to the Debtor in the manner required by *The Personal Property Security Act, 1993* (as above-mentioned), the Secured Party may elect to retain all or any part of the Collateral in satisfaction of the Obligations.

15. **General Provisions**

- a) any amount borrowed by the Secured Party or the Receiver pursuant to the powers set out in this Security Agreement and any interest thereon shall be a charge upon the Collateral in priority to the charges created by this Security Agreement and any encumbrance subsequent thereto.
- b) the Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same for the purpose of preserving any rights of the Secured Party, the Debtor or any other party in respect of the same.
- c) the Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor and/or guarantors, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations or the Secured Party's right to hold and realize the Collateral.

16. **Application of Proceeds of Disposition of Collateral**

Subject to the claims, if any, of the secured creditors of the Debtor (including any indebtedness of the Receiver or the Secured Party ranking in priority to the charges created by this Security Agreement) all moneys received by the Secured Party or by the Receiver pursuant to sections 12, 13, 14 and 15 of this Security Agreement shall be applied as follows:

- a) first, in payment of all expenses and legal costs of and incidental to the appointment of the Receiver and the exercise by the Receiver or the Secured Party of all or any of the powers granted to them under this Security Agreement, including reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent or employee of the Secured Party and all disbursements properly paid by the Receiver or the Secured Party in exercising their powers as aforesaid;
- b) second, in payment of the Obligations to the Secured Party which may be applied by the Secured Party in such manner as the Secured Party, in its sole discretion, may determine;
- c) third, in satisfaction of any indebtedness or liability secured by any security interest in the Collateral subordinate to the charges created by this Security

Agreement if written demand therefor is received by the Secured Party or the Receiver before the distribution of the proceeds is completed; and

d) fourth, any surplus shall be paid to the Debtor.

17. **Waiver by the Secured Party**

Any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder may only be waived by the Secured Party in writing, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

18. **Restriction on Debtor**

Upon the Debtor receiving notice from the Secured Party of the Secured Party taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant, or agent of the Debtor with respect to the Collateral, shall be suspended unless specifically continued by the written consent of the Secured Party.

19. **Deficiency**

The Debtor shall pay to the Secured Party on demand any and all expenses, including reasonable solicitors' fees, incurred or paid by the Secured Party in protecting or enforcing its rights upon or under Collateral. After deducting all of said expenses the residue of any proceeds of collection or sale of Collateral shall be applied to the payment of the Obligations in such order of preference as the Secured Party may determine, and any excess shall be returned to the Debtor and the Debtor shall remain liable for any deficiency.

After the payment of the expenses of retaking and disposing of the Collateral the Debtor shall remain liable to the Secured Party for any deficiency remaining to be paid on monies owing under this Agreement after the application of the proceeds of disposition of the Collateral to the monies owed under this Agreement.

20. **Rights Cumulative**

All rights and remedies of the Secured Party prescribed in this Security Agreement shall be cumulative and no remedy contained herein is intended to be exclusive but shall be in addition to every other remedy contained herein or in any other security document or existing at law or in equity or by statute. The taking of a judgment or judgments with

respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Security Agreement.

21. **Applicable Law**

This Security Agreement shall be governed by and be interpreted in accordance with the law of the Province of Saskatchewan. Any provision hereof prohibited by any applicable law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

22. **Notice**

Any demand or notice to the Debtor in connection with this Security Agreement shall be deemed to be made or given if either:

- a) mailed by prepaid post addressed to the Debtor at its last known address, in which case it shall be conclusively deemed to have been received by the Debtor on the third (3rd) day following the date of such mailing, or
- b) personally served upon the Debtor or upon any director, officer, servant, employee or partner of the Debtor, in which case it shall be deemed to have been made and given at the time of such service.

23. **Further Assurances**

The Debtor shall from time to time forthwith on the Secured Party's request do, make and execute all such financing statements, financing change statements, further assignments, documents, acts, matters and things as may be reasonably required by the Secured Party of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents. The Debtor hereby authorizes the Secured Party to do such acts, matters and things (including, without limitation, the completion and adding hereto of additional schedules identifying the Collateral) as is reasonably appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby and the Debtor hereby constitutes and appoints any officer or employee of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it is reasonable to do so for the purposes aforesaid.

24. **Binding Effect**

This Security Agreement and all its provisions shall enure to the benefit of and be binding upon the Secured Party and the Debtor and their respective successors and assigns.

25. **Description of Permitted Encumbrances**

For the purposes of this security agreement "permitted encumbrances" means any of the following:

- a) liens for taxes, assessments, governmental charges or levies not overdue;
- b) rights reserved to or vested in any municipality or government or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision to terminate the same or to require annual or periodic payments as a condition to the continuance thereof;
- c) any lien or encumbrance the validity of which is contested by the Debtor in good faith by appropriate proceedings promptly instituted and diligently conducted, provided reserves or other appropriate provision is made to the satisfaction of the Secured Party (acting reasonably) for the eventual satisfaction thereof if found valid;
- d) statutory liens of landlords and liens of carriers, mechanics and material men imposed by law and incurred in the ordinary course of business for sums not overdue; and
- e) those mortgages, charges, assignments, security interests, liens or other encumbrances existing at the date hereof which are described in Schedule "B" to this Agreement.

26. **General**

This Agreement shall be a continuing agreement in every respect. No remedy for the enforcement of the rights of the Secured Party hereunder shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination. The Security Interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Secured Party.

Upon the Obligations having been fully retired the Secured Party shall, within a reasonable time thereafter, discharge from registration any and all financing statements or similar notices, registrations or recordings made by him or on his behalf in any public offices or registries for the purpose of perfecting or protecting the security interests granted hereby.

27. **Waiver of the Limitation of Civil Rights Act (Saskatchewan)**

In the event that the Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* and *The Land Contracts (Actions) Act* of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement.

28. **Entire Agreement in Writing**

THIS SECURITY AGREEMENT REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT HERETO AND ALL PRIOR NEGOTIATIONS RELATING TO IT ARE SUPERSEDED. THERE ARE NO COLLATERAL UNDERSTANDINGS BETWEEN THE PARTIES RELATING TO THIS SECURITY AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER - PROVIDED THAT IN ANY EVENT THIS SECURITY AGREEMENT SHALL NOT SUPERSEDE OR REPLACE THE PROMISSORY NOTE REFERRED TO IN SECTION 1 OF THIS SECURITY AGREEMENT AND/OR ANY OTHER SECURITY COLLATERAL THERETO.

29. The Debtor acknowledges having received a copy of this Security Agreement and hereby waives the right to receive a copy of any financing statement or verification statement pertaining to this Security Agreement.

This Security Agreement has been executed by the Debtor on the 26ⁿ day of September, 2013.

Signed, sealed and delivered in
the presence of:


Name of Witness:


Said Kaiss

INDEMNITY AGREEMENT

BETWEEN:

BTA REAL ESTATE GROUP INC.
(the "Landlord")

AND:

SAID KAISS
(the "Indemnifier")

WHEREAS:

- A. The Landlord is the owner of the lands and premises known municipally as 2101 Quance Street East, Regina, SK (the "Building"); and
- B. The Indemnifier and Family Fitness Inc. (the "Tenant") have requested the Landlord to enter into a lease (the "Lease") dated August 30, 2013 between the Landlord and Tenant relating to premises in the Building and the Landlord has agreed to do so only if the Indemnifier executes and delivers this Agreement in favour of the Landlord;

NOW THEREFORE in order to induce the Landlord to enter into the Lease, the Indemnifier hereby makes the following indemnity and agreement ("Indemnity") with and in favour of the Landlord and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by the Indemnifier), the Indemnifier agrees with the Landlord as follows:

- 1. The Indemnifier hereby agrees with the Landlord that at all times during (i) the Term, (ii) any extension or renewal thereof, and (iii) any other period when the Tenant is in possession of the Premises, the Indemnifier shall be bound to the Landlord for the performance of all the obligations of the Tenant under the Lease, and the Indemnifier's liability shall be that of a direct and primary obligor. In this regard, the Indemnifier shall:
 - a. make due and punctual payment of all Rent, loan repayments, monies, charges and other amounts of any kind whatsoever due and payable under the Lease by the Tenant, whether to the Landlord or to any other Person and whether the Lease has been disaffirmed, disclaimed, terminated or surrendered;
 - b. effect prompt and complete performance of all the terms, covenants and conditions contained in the Lease on the part of the Tenant to be kept, observed and performed; and
 - c. promptly indemnify and save the Landlord harmless from and against any and all Claims arising out of any failure by the Tenant to pay all Rent, loan repayments, monies, charges or other amounts of any kind whatsoever due and payable under the Lease or resulting from any failure by the Tenant to observe or perform any of the terms, covenants and conditions contained in the Lease on the part of the Tenant to be

kept, observed and performed.

2. The Indemnifier hereby expressly acknowledges and agrees that this Indemnity is absolute and unconditional and the obligations of the Indemnifier shall not be released, discharged, mitigated, impaired or affected (whether or not the Indemnifier has notice thereof or is a party thereto) by:
- a. any extension of time, indulgences or modifications which the Landlord extends to or makes with the Tenant in respect of the performance of any of the obligations of the Tenant under the Lease;
 - b. any waiver by or failure of the Landlord to enforce any of the terms, covenants, agreements, stipulations, provisos, conditions and Rules and Regulations contained in the Lease;
 - c. any Transfer of the Lease or of all or any part of the Premises by the Tenant or by any Transferee, or by any trustee, receiver, receiver-manager or liquidator;
 - d. any Change of Control of the Tenant or of any Transferee;
 - e. any consent which the Landlord gives to any Transfer or Change of Control;
 - f. any relocation, expansion or reduction of the Premises and any changes to the Lease resulting therefrom;
 - g. any amendment or modification to the Lease whether made between the Landlord and the Tenant or between the Landlord and any Transferee;
 - h. any waiver by the Tenant or any Transferee of any of its rights under the Lease;
 - i. any Alterations in, to or for the Premises or any part thereof;
 - j. the expiration of the Term or termination of the Lease;
 - k. any overholding by the Tenant of the Premises or any part thereof;
 - l. any renewal or extension of the Lease pursuant to any option or right of the Tenant or otherwise, it being understood and agreed that this Indemnity shall extend throughout the Term, as renewed or extended;
 - m. any loss of, or any loss in respect of, any security received or intended to have been received by the Landlord from the Tenant or any other Person, whether or not occasioned or contributed to by or through the act, omission, default or neglect of the Landlord or those for whom the Landlord is in law responsible;
 - n. any act, omission, default or neglect of the Landlord or any other Person whereby:
 - i. the Tenant (or any one or more Persons comprising the Tenant), or
 - ii. the Indemnifier (or any one or more Persons comprising the Indemnifier)is released or has its (or their) obligations under the Lease or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever; or

o. any present or future statute or any existing or future common law under which:

i. the Tenant (or any one or more Persons comprising the Tenant), or

ii. the Indemnifier (or any one or more Persons comprising the Indemnifier)

is released or has its (or their) obligations under the Lease or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever.

Nothing but payment and satisfaction in full of all Rent and the due performance and observance of all terms, covenants and conditions on the part of the Tenant to be paid and performed under the Lease shall release the Indemnifier from its obligations under the Lease or this Indemnity, as the case may be.

3. The Indemnifier hereby expressly waives notice of the acceptance of this Agreement and any notice of non-performance, non-payment or non-observance on the part of the Tenant of any of the terms, covenants and conditions contained in the Lease. Without limiting the generality of the foregoing, any notice which the Landlord desires to give to the Indemnifier shall be sufficiently given if addressed to the Indemnifier and delivered to the Premises, or, if mailed by prepaid registered or certified post addressed to the Indemnifier at the Premises, and every such notice is deemed to have been given on the day it was so delivered, or, if mailed, seventy-two (72) hours after it was mailed. The Indemnifier may designate by notice in writing a substitute address for that set forth above and thereafter notices shall be directed to such substitute address. If two or more Persons are named as the Indemnifier, any notice given hereunder or under the Lease shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such Persons.
4. In the event of a default by the Tenant under the Lease, the Indemnifier expressly acknowledges and agrees that the Landlord may proceed directly against the Indemnifier, and in this regard the Indemnifier waives any right to require the Landlord first to:
 - a. proceed against the Tenant or any other Indemnifier, guarantor or Person or pursue any rights or remedies against the Tenant or any other Indemnifier, guarantor or Person with respect to the Lease,
 - b. proceed against or exhaust any security of the Tenant held by the Landlord, or
 - c. pursue any other remedy available to the Landlord under the Lease, in equity or at law.

The Landlord has the right to enforce this Indemnity regardless of the acceptance of additional security from the Tenant and regardless of any release or discharge of the Tenant by the Landlord or by others or by operation of any law.

5. Without limiting any other provision contained in this Indemnity, the liability of the Indemnifier under this Indemnity shall continue in full force and effect and shall not be, or be deemed to have been, waived, released, discharged, impaired or affected by reason of the release or discharge of the Tenant in any receivership, bankruptcy, winding-up or other creditors' proceedings, or the rejection, disaffirmance, disclaimer, termination or surrender (whether or not accepted by the Landlord) of the Lease pursuant to any statute or otherwise, and shall continue with respect to the periods prior thereto and thereafter, for and with

respect to the Term as if the Lease had not been rejected, disaffirmed, disclaimed, terminated or surrendered.

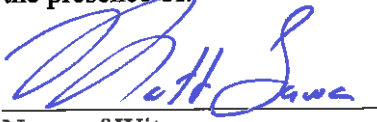
6. No action or proceedings brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of any of the terms, covenants and conditions contained in the Lease.
7. No modification of this Indemnity shall be effective unless such modification is in writing and is executed by both the Indemnifier and the Landlord.
8. If the Indemnifier is a corporation, it shall not, directly or indirectly, change, or permit to be changed, the effective voting control thereof from that existing as of the date of the commencement of the Fixturing Period, or, if none, as of the Commencement Date, and, if the Indemnifier is a partnership, joint venture or co-tenancy, it shall not change, or permit to be changed, the Persons comprising the partnership, joint venture or co-tenancy as of the date of commencement of the Fixturing Period or, if none, as of the Commencement Date, without in either case obtaining the Landlord's prior written consent in each and every instance, which consent may be unreasonably withheld.
9. If more than one individual, corporation, partnership or other business association (or any combination of them) executes this Indemnity as the Indemnifier, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. In like manner, if the Indemnifier named in this Indemnity is a partnership or other business association, the members of which are by virtue of statutory or common law subject to personal liability, the liability of each such member is joint and several. If two or more Persons are named as an Indemnifier in this Indemnity, the release of one or more of such Persons does not release any remaining Person named as an Indemnifier in this Indemnity.
10. All debts, obligations and liabilities (collectively "Liabilities") of the Tenant to the Indemnifier, present and future, are hereby assigned to the Landlord and postponed to all the Liabilities of the Tenant to the Landlord. All money, property and other benefits received by the Indemnifier from the Tenant shall be received in trust for the Landlord and, forthwith upon receipt thereof, the Indemnifier shall pay it or them to the Landlord on account of any outstanding obligations of the Tenant to the Landlord.
11. The Indemnifier shall be bound by any account settled between the Landlord and the Tenant.
12. This Indemnity constitutes the complete agreement between the Indemnifier and the Landlord, and none of the parties hereto shall be bound by any representations or agreements made by any Person which would in any way reduce or impair the obligations of the Indemnifier other than any which are expressly set out herein, or in any modification of this Indemnity in writing and executed by both the Indemnifier and the Landlord.
13. All the terms, covenants and conditions of this Indemnity extend to and are binding on the Indemnifier, his, her or its heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by the Landlord, its

successors and assigns, as the case may be. The obligations of the Indemnifier shall not be affected by the death or incapacity of the Indemnifier.

14. The Indemnifier shall, without limiting the generality of the foregoing, be bound by this Indemnity in the same manner as if the Indemnifier were the Tenant named in the Lease. The Indemnifier acknowledges that it has received a true copy of the Lease and is familiar with the terms, covenants and conditions contained therein.
15. Wherever in this Indemnity reference is made to either the Landlord or the Tenant, the reference is deemed to apply also to the respective heirs, executors, administrators, successors and assigns of the Landlord or of the Tenant, as the case may be, named in the Lease. Any assignment by the Landlord of any of its interest in the Lease operates automatically as an assignment to such assignee of the benefit of this Indemnity.
16. This Indemnity shall be construed in accordance with the laws of the Province of Saskatchewan.
17. The Indemnifier acknowledges the suggestion of the Landlord that, before executing this Indemnity, the Indemnifier should obtain independent legal advice.

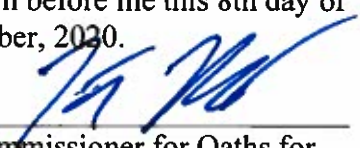
IN WITNESS WHEREOF, the Indemnifier(s) have signed and sealed this Indemnity the 26th day of September, 2013.

Signed, sealed and delivered in
the presence of:


Name of Witness:


Said Kaiss

This is Exhibit "H" referred to in the
Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor



Telephone: 306.244.2242 Suite 300
Toll Free: 1.888.244.2242 110-21st Street East
Facsimile: 306.652.0332 Saskatoon, SK S7K 0B6
E-mail: info@wlawgroup.com
Web: www.wlawgroup.com

May 7, 2019

Reply To: Michael J. Russell
mrussell@wlawgroup.com

Via Email: skaiss@evolutionfitness.ca

FAMILY FITNESS INC.

358 McCarthy Blvd.
Regina, SK S4R 7M2

Attention: Said Kaiss

Dear Sir:

Re: BTA Real Estate Group Inc. v. Family Fitness Inc. (the “Debtor”) and Said Kaiss

We are solicitors for **BTA Real Estate Group Inc. (“BTA”)** in regard to the above-captioned matter.

Enclosed for service upon the Debtor, on behalf of BTA, is a Notice of Intention to Enforce a Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*.

As at the date of this letter, the Debtor is indebted to BTA in the aggregate amount of **\$645,116.86** (the “**Indebtedness**”), pursuant to a Lease agreement dated August 30, 2013, Between BTA and the Debtor (the “**Lease**”).

As security for the obligations of the Debtor to BTA under the Lease, the Debtor executed, delivered and granted to BTA a General Security Agreement dated September 26, 2013 (the “**GSA**”) over all of the present and after-acquired personal property of the Debtor.

The Debtor is in default under the Lease, including, without limitation, for failing to pay the amount of the Indebtedness.

This letter constitutes formal written demand by BTA that the Debtor make payment in full to our office of the outstanding amount of the Indebtedness (plus additional interest accrued and legal fees incurred to the date of payment) within ten days of the date of this letter (i.e., on or before May 17, 2019), failing which, BTA will avail itself of the appropriate legal remedies to collect the Indebtedness from the Debtor (without further notice), including by enforcing the security more particularly described in the enclosed Notice of Intention to Enforce a Security.

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BTA reserves the right to enforce its security sooner than ten days from now if it deems its security to be in any way endangered or in jeopardy. This is a serious matter and we trust that the Debtor will give this matter its immediate attention.

Yours truly,

the W LAW GROUP LLP

MICHAEL J. RUSSELL
MJR:

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) *Bankruptcy and Insolvency Act*)

TO: Family Fitness Inc.
358 McCarthy Blvd.
Regina, SK S4R 7M2

(hereinafter referred to as the "insolvent person").

TAKE NOTICE THAT:

1. **BTA REAL ESTATE GROUP INC.**, a secured creditor, intends to enforce its security on all present and after acquired personal property of the insolvent person.
2. **THE** security that is to be enforced is in the form of the following:
 - General Security Agreement dated September 26, 2013.
3. **THE** total amount of indebtedness secured by the security as at the date of this notice is **\$645,116.86**, comprised of:

Principal: \$547,169.52
Interest: \$97,947.34
4. **THE** secured creditor will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.
5. **THIS** notice should not necessarily be construed as recognition on the part of the secured creditor of the applicability of the *Bankruptcy and Insolvency Act*.

DATED at Saskatoon, Saskatchewan, this 7th day of May, 2019.

BTA REAL ESTATE GROUP INC.

Per: 
Mike Russell, Solicitor and Authorized
Agent for BTA Real Estate Group Inc.

CONSENT TO EARLIER ENFORCEMENT OF SECURITY

Family Fitness Inc. hereby consents to the immediate enforcement by BTA Real Estate Group Inc. of its security over the property described in this Notice of Intention to Enforce a Security, in accordance with section 244(2) of the *Bankruptcy and Insolvency Act*.

FAMILY FITNESS INC.

Per: _____

NAME:

TITLE:

I have authority to bind the corporation.



Telephone: 306.244.2242 Suite 300
Toll Free: 1.888.244.2242 110-21st Street East
Facsimile: 306.652.0332 Saskatoon, SK S7K 0B6
E-mail: info@wlawgroup.com
Web: www.wlawgroup.com

May 7, 2019

Reply To: Michael J. Russell
mrussell@wlawgroup.com

Via Email: skaiss@evolutionfitness.ca

Said Kaiss
358 McCarthy Blvd.
Regina, SK S4R 7M2

Dear Sir:

Re: BTA Real Estate Group Inc. v. Family Fitness Inc. (the “Debtor”) and Said Kaiss (the “Indemnifier”)

We are solicitors for **BTA Real Estate Group Inc. (“BTA”)** in regard to the above-captioned matter.

Enclosed for service upon you, as Indemnifier, on behalf of BTA, is a Notice of Intention to Enforce a Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*.

As at the date of this letter, the Debtor is indebted to BTA in the aggregate amount of **\$645,116.86** (the “**Indebtedness**”), pursuant to a Lease agreement dated August 30, 2013, Between BTA and the Debtor (the “**Lease**”).

By means of an Indemnity Agreement dated September 26, 2013 (the “**Indemnity Agreement**”), you agreed (among other things) to make due and punctual payments of all rent and other amounts of any nature whatsoever due and payable under the Lease, including the Indebtedness. As security for your obligations to BTA as Indemnifier pursuant to the Indemnity Agreement, you executed, delivered and granted to BTA a General Security Agreement dated September 26, 2013 (the “**GSA**”) over all of your present and after-acquired personal property.

The Debtor is in default under the Lease, including, without limitation, for failing to pay the amount of the Indebtedness.

This letter constitutes formal written demand by BTA that you, the Indemnifier, make payment in full to our office of the outstanding amount of the Indebtedness (plus additional interest accrued and legal fees incurred to the date of payment) within ten days of the date of this letter (i.e., on or before May 17, 2019), failing which, BTA will avail itself of the appropriate legal

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remedies to collect the Indebtedness from you (without further notice), including by enforcing the security more particularly described in the enclosed Notice of Intention to Enforce a Security.

BTA reserves the right to enforce its security sooner than ten days from now if it deems its security to be in any way endangered or in jeopardy. This is a serious matter and we trust that you will give this matter your immediate attention.

Yours truly,

the ~~W~~LAW GROUP LLP

MICHAEL J. RUSSELL

MJR:

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) *Bankruptcy and Insolvency Act*)

TO: Said Kaiss
358 McCarthy Blvd.
Regina, SK S4R 7M2

(hereinafter referred to as the "insolvent person").

TAKE NOTICE THAT:

1. **BTA REAL ESTATE GROUP INC.**, a secured creditor, intends to enforce its security on all present and after acquired personal property of the insolvent person.
2. **THE** security that is to be enforced is in the form of the following:
 - General Security Agreement dated September 26, 2013.
3. **THE** total amount of indebtedness secured by the security as at the date of this notice is **\$645,116.86**, comprised of:

Principal: \$547,169.52
Interest: \$97,947.34
4. **THE** secured creditor will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.
5. **THIS** notice should not necessarily be construed as recognition on the part of the secured creditor of the applicability of the *Bankruptcy and Insolvency Act*.

DATED at Saskatoon, Saskatchewan, this 7th day of May, 2019.

BTA REAL ESTATE GROUP INC.

Per: _____

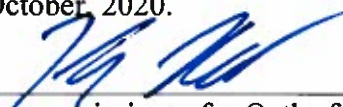
Mike Russell, Solicitor and Authorized
Agent for BTA Real Estate Group Inc.

CONSENT TO EARLIER ENFORCEMENT OF SECURITY

Said Kaiss hereby consents to the immediate enforcement by BTA Real Estate Group Inc. of its security over the property described in this Notice of Intention to Enforce a Security, in accordance with section 244(2) of the *Bankruptcy and Insolvency Act*.

SAID KAISS

This is Exhibit "I" referred to in the
Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

FORBEARANCE AGREEMENT

This Forbearance Agreement (the “**Agreement**”) dated for reference the 17th day of May, 2019 (the “**Effective Date**”).

AMONG:

BTA REAL ESTATE GROUP INC., a Saskatchewan Corporation with offices in Regina, Saskatchewan (“**BTA**”)

AND:

FAMILY FITNESS INC. a Saskatchewan corporation with offices in Regina, Saskatchewan (the “**Debtor**”)

AND:

SAID KAISS, an individual residing in Regina, Saskatchewan (the “**Guarantor**”)

(BTA, the Debtor and the Guarantor collectively referred to as the “**Parties**”)

WHEREAS:

- A. BTA, as landlord, entered into a lease with the Debtor, as tenant, on August 30, 2013, over lands civically described as 2101 Quance Street East in the City of Regina, in the Province of Saskatchewan (the “**Lease**”).
- B. BTA holds security in respect of the obligations, debt and liabilities at any time owed to BTA by the Debtor under the Lease (collectively, the “**Obligations**”) by means of:
 - (i) General Security Agreement executed by the Debtor, dated September 26, 2013, over all of the Debtor's present and after acquired property;
 - (ii) Indemnity Agreement executed by the Guarantor, dated September 26, 2013, which forms Schedule “G” to the Lease, guaranteeing payment and performance of the Obligations; and
 - (iii) General Security Agreement executed by the Guarantor, dated September 26, 2013, over all of the Guarantor’s present and after-acquired personal property,(collectively, the “**Security**”).
- C. As at May 7, 2019, arrears in the aggregate amount of \$645,116.86 are owing by the Debtor to BTA under the Lease (the “**Indebtedness**”).

- D. The Debtor is in default under the Lease, including, without limitation, for failing to pay the amount of the Indebtedness.
- E. On May 7, 2019, BTA served on each the Debtor and the Guarantor a formal written demand for payment and Notice of Intention of Enforce Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the “BIA”).
- F. The Debtor and Guarantor have requested that BTA, and BTA has agreed to, forbear from enforcement of the Security on the terms and conditions more particularly set forth herein, and the Parties each consider such forbearance to be in their respective best interests.
- G. The preceding six paragraphs are collectively referred to as the “Recitals”.

NOW, THEREFORE, THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and obligations contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of each of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. Acknowledgement. The Parties hereby acknowledge and agree that:

- (a) the Recitals are accurate and complete and form part of this Agreement.
- (b) the Indebtedness is currently outstanding and owing to BTA by the Debtor and the Guarantor;
- (c) the Debtor is presently in default of the Obligations;
- (d) each of the Debtor and the Guarantor has been served with a common law demand calling for payment of the Indebtedness and a Notice of Intention to enforce a Security under section 244(1) of the BIA; and
- (e) the terms and conditions contained in the Lease and the Security are valid and enforceable obligations owed by the Debtor to BTA and, unless otherwise explicitly varied or amended by this Agreement, they shall continue to apply.

2. Forbearance. Subject to the terms and conditions of this Agreement, commencing on May 17, 2019, and expiring at 11:59 p.m. (Saskatchewan time) on June 15, 2019 (the “**Forbearance Period**”), BTA agrees that it will neither make additional demand for repayment of the Indebtedness nor proceed to enforce its rights under the Security.

3. Conditions of Forbearance.

- (a) Commencing June 1, 2019, the Debtor shall pay Rent (as that term is defined in the Lease) in accordance with the Lease.
- (b) The Parties shall enter into good faith negotiations (the “**Negotiations**”) to:

- (i) discuss reasonable requests by BTA for the provision by the Debtor to BTA of financial and other information pertaining to the business of the Debtor, including pursuant to the Lease; and
- (ii) determine the total amount of Indebtedness that will be payable by the Debtor to BTA and on what terms such Indebtedness will be paid.

4. Waiver, Acknowledgment and Release. Each of the Debtor and the Guarantor hereby:

- (a) acknowledges and agrees that the administration by BTA of the Obligations and the actions of BTA in entering into this Agreement have been fair and reasonable;
- (b) waives and agrees not to assert or cause to be asserted, and is hereby estopped from asserting or causing to be asserted, any defences, rights or claims with respect to the administration by BTA of the Obligations and/or the actions of BTA in entering into this Agreement;
- (c) release BTA from any and all claims with respect to the administration of the Obligations, the Lease and/or the actions of BTA in entering into this Agreement;
- (d) acknowledges and agrees that none of BTA's existing rights and remedies, and none of the defaults of the Debtor, have been or are hereby waived; and
- (e) acknowledges and agrees that the Debtor and Guarantor have entered into this Agreement freely and without coercion by BTA or any of its directors, officers, agents or legal counsel.

5. Default, Termination and Expiry.

- (a) Each of the Debtor and the Guarantor acknowledges and agrees that the breach by the Debtor or the Guarantor (as the case may be) of any term, condition or provision of this Agreement or the Lease shall constitute an event of default under this Agreement (each, an "**Event of Default**").
- (b) BTA may terminate this Agreement upon two days' written notice to the Debtor and the Guarantor pursuant to Article 6(a) upon the occurrence of an Event of Default, upon which termination, the Indebtedness (together with additional amounts that may become due and payable pursuant to the Obligations after May 7, 2019) shall be immediately due and payable, jointly and severally, by the Debtor and the Guarantor to BTA.
- (c) Each of the Parties agrees that, in the event of the termination of this Agreement, this Agreement shall be of no further force and effect against either of the Parties, save and except for Articles 1, 3(a), 4, 5 and 6.

6. General.

- (a) Any notice required to be given to any party hereunder shall be given in writing to that party at the following respective addresses:

BTA Real Estate Group Inc.
c/o The W Law Group LLP
Suite 300, 110 – 21st Street East
Saskatoon, SK S7K 0B6

Family Fitness Inc.
c/o MLT Aikins LLP
1500 – 1874 Scarth St.
Regina, SK S4P 4E9

Attention: Mike Russell and
Michelle Tobin
E-mail: mrussell@wlawgroup.com
/ mtobin@wlawgroup.com

Attention: Jeffrey M. Lee, Q.C. and Josh Morrison
E-mail: JMLee@mltaikins.com / JMorrison@mltaikins.com

- (b) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective administrators, successors and permitted assigns (as the case may be).
- (c) If any one or more of the provisions contained in this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- (d) All of the rights and remedies of BTA hereunder and under any agreement delivered pursuant hereto are cumulative and are in addition to, without prejudice to and shall not be deemed to exclude any other right or remedy allowed to BTA hereunder or any agreement delivered pursuant hereto, except as specifically set out herein. All of the rights and remedies of BTA may be exercised concurrently.
- (e) Time shall be of the essence of this Agreement in all respects.
- (f) The Parties shall execute such further documents, deeds and assurances, and will do all such acts as may be reasonably required to fully implement the intent of this Agreement.
- (g) No condoning, excusing or waiver by any party of any default, breach or non-observance by any Party at any time or times with respect to any covenants or provisos contained in this Agreement shall constitute a waiver by that Party of its rights to act upon such or further default, breach or non-observance.
- (h) This Agreement may be executed in two or more counterparts, and may be signed by facsimile or other means of electronic communication producing a printed copy, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the Effective Date first written above.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the Effective Date.

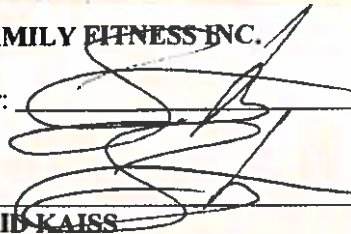
BTA REAL ESTATE GROUP INC.

Per: _____



FAMILY FITNESS INC.

Per: _____

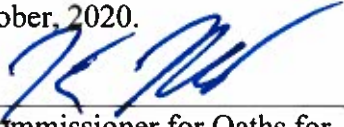


SAID KAISS

Family Fitness Repayment Plan

	2019	2020	2021	2022
January		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
February		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
March		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
April		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
May		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
June	\$ 265.24	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
July	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	\$ 19,659.16
August	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
September	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
October	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
November	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
December	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
Total	<u>\$ 150,265.24</u>	<u>\$ 120,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 139,659.16</u>
Sum of Totals	<u>\$ 649,924.40</u>			

This is Exhibit "J" referred to in
the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

FORBEARANCE AGREEMENT

This Forbearance Agreement (the “**Agreement**”) dated for reference the 15th day of June, 2019 (the “**Effective Date**”).

AMONG:

BTA REAL ESTATE GROUP INC., a Saskatchewan Corporation with offices in Regina, Saskatchewan (“**BTA**”)

AND:

FAMILY FITNESS INC. a Saskatchewan corporation with offices in Regina, Saskatchewan (the “**Debtor**”)

AND:

SAID KAISS, an individual residing in Regina, Saskatchewan (the “**Guarantor**”)

(BTA, the Debtor and the Guarantor collectively referred to as the “**Parties**”)

WHEREAS:

- A. BTA, as landlord, entered into a lease with the Debtor, as tenant, on August 30, 2013, over lands civically described as 2101 Quance Street East in the City of Regina, in the Province of Saskatchewan (the “**Lease**”).
- B. BTA holds security in respect of the obligations, debt and liabilities at any time owed to BTA by the Debtor under the Lease (collectively, the “**Obligations**”) by means of:
 - (i) General Security Agreement executed by the Debtor, dated September 26, 2013, over all of the Debtor's present and after acquired property;
 - (ii) Indemnity Agreement executed by the Guarantor, dated September 26, 2013, which forms Schedule “G” to the Lease, guaranteeing payment and performance of the Obligations; and
 - (iii) General Security Agreement executed by the Guarantor, dated September 26, 2013, over all of the Guarantor’s present and after-acquired personal property,(collectively, the “**Security**”).
- C. As at June 15, 2019, arrears in the aggregate amount of \$649,924.40 are owing by the Debtor to BTA under the Lease (the “**Indebtedness**”).

- D. The Debtor is in default under the Lease, including, without limitation, for failing to pay the amount of the Indebtedness.
- E. On May 7, 2019, BTA served on each the Debtor and the Guarantor a formal written demand for payment and Notice of Intention of Enforce Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the “BIA”).
- F. The Parties thereafter entered into a Forbearance Agreement dated May 17, 2019, which Forbearance Agreement expires on June 15, 2019 (the “**May 17 Forbearance Agreement**”).
- G. The Debtor and Guarantor have requested that BTA further forbear from enforcement of the Security on the terms and conditions more particularly set forth herein.
- H. In order to induce BTA to further forbear from immediate enforcement of the Security, the Debtor has voluntarily executed and delivered to BTA a Consent Order pursuant to section 243 of the BIA, whereby the Debtor voluntarily consents to an Order of the Court of Queen’s Bench for Saskatchewan appointing a receiver over the Debtor (the “**Consent Receivership Order**”), which Consent Receivership Order shall be held in trust by the W Law Group LLP, the solicitors for BTA, in accordance with this Agreement.
- I. BTA has agreed, upon the terms and subject to the conditions contained herein, to further forbear from immediate enforcement of the Security, and the respective Parties hereto consider it to be in their best interests to enter into this Agreement.
- J. This paragraph and the preceding nine paragraphs are collectively referred to as the “**Recitals**”.

NOW, THEREFORE, THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and obligations contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of each of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. **Acknowledgement.** The Parties hereby acknowledge and agree that:
 - (a) the Recitals are accurate and complete and form part of this Agreement.
 - (b) the Indebtedness is currently outstanding and owing to BTA by the Debtor and the Guarantor;
 - (c) the Debtor is presently in default of the Obligations;
 - (d) each of the Debtor and the Guarantor has been served with a common law demand calling for payment of the Indebtedness and a Notice of Intention to Enforce a Security under section 244(1) of the BIA, and the ten-day period referenced in such Notices of Intention to Enforce a Security has expired, such that, subject to this Agreement, BTA is in a position to enforce its Security;

- (e) the terms and conditions contained in the Lease and the Security are valid and enforceable obligations owed by the Debtor to BTA and, unless otherwise explicitly varied or amended by this Agreement, they shall continue to apply; and
- (f) the May 17 Forbearance Agreement is hereby terminated and is of no further force or effect.

2. Forbearance. The terms and conditions of this Agreement shall come into force on June 15, 2019, and shall expire at 11:59 p.m. (Saskatchewan time) on July 31, 2022 (the "**Forbearance Period**"). BTA agrees that, during such Forbearance Period, subject to this Agreement, it will neither make additional demand for repayment of the Indebtedness nor proceed to enforce its rights under the Security.

3. Conditions of Forbearance.

- (a) Commencing June 1, 2019, the Debtor shall pay Rent (as that term is defined in the Lease) in accordance with the Lease.
- (b) Commencing July 1, 2019, the Debtor shall make monthly payments to BTA in accordance with the instalments set forth at Schedule "A" hereto.
- (c) Upon the date of executing this Agreement, the Debtor shall execute and deliver to its solicitors, MLT Aikins LLP, a Consent Receivership Order substantially in the form attached as Schedule "B" hereto, which MLT Aikins LLP shall, in turn, deliver to the solicitors for BTA, the W Law Group LLP, on the trust condition that no use of the Consent Receivership Order shall be made except as in accordance with Article 5(c) hereof.
- (d) Upon the date of executing this Agreement, the Debtor shall deliver the amount of \$5,000.00 to MLT Aikins LLP, in trust, and MLT Aikins LLP shall, in turn, deliver such amount to the W Law Group LLP on account of legal fees, disbursements and applicable taxes incurred by BTA in connection with this matter.
- (e) Throughout the Forbearance Period, the Debtor shall, except as varied by this Agreement, comply fully with the Obligations.

4. Waiver, Acknowledgment and Release. Each of the Debtor and the Guarantor hereby:

- (a) acknowledges and agrees that the administration by BTA of the Obligations and the actions of BTA in entering into this Agreement have been fair and reasonable;
- (b) waives and agrees not to assert or cause to be asserted, and is hereby estopped from asserting or causing to be asserted, any defences, rights or claims with respect to the administration by BTA of the Obligations and/or the actions of BTA in entering into this Agreement;
- (c) release BTA from any and all claims with respect to the administration of the Obligations, the Lease and/or the actions of BTA in entering into this Agreement;

- (d) acknowledges and agrees that none of BTA's existing rights and remedies, and none of the defaults of the Debtor, have been or are hereby waived; and
- (e) acknowledges and agrees that the Debtor and Guarantor have entered into this Agreement freely and without coercion by BTA or any of its directors, officers, agents or legal counsel.

5. Default, Termination and Expiry.

- (a) Each of the Debtor and the Guarantor acknowledges and agrees that the breach by the Debtor or the Guarantor (as the case may be) of any term, condition or provision of this Agreement or the Lease shall constitute an event of default under this Agreement (each, an "**Event of Default**").
- (b) BTA may terminate this Agreement upon five days' written notice to the Debtor and the Guarantor pursuant to Article 6(a) upon the occurrence of an Event of Default, upon which termination, the Indebtedness (together with additional amounts that may become due and payable pursuant to the Obligations after June 15, 2019) shall be immediately due and payable, jointly and severally, by the Debtor and the Guarantor to BTA.
- (c) If, upon termination or expiry of this Agreement, any portion of the Indebtedness remains outstanding, the Debtor and the Guarantor hereby consent to the immediate enforcement by BTA of all of its rights under the Lease, the Security and this Agreement, including, without limitation, the issuance of the Consent Receivership Order in favour of BTA against the Debtor, all without further notice, demand or request for payment being made upon the Debtor or the Guarantor.
- (d) Each of the Parties agrees that, in the event of the termination of this Agreement, this Agreement shall be of no further force and effect against either of the Parties, save and except for Articles 1, 4, 5 and 6.

6. General.

- (a) Any notice required to be given to any Party hereunder shall be given in writing to that Party at the following respective addresses:

BTA Real Estate Group Inc.
c/o The W Law Group LLP
Suite 300, 110 – 21st Street East
Saskatoon, SK S7K 0B6

Family Fitness Inc.
c/o MLT Aikins LLP
1500 – 1874 Scarth St.
Regina, SK S4P 4E9

Attention: Mike Russell and
Michelle Tobin
E-mail: mrussell@wlawgroup.com
/ mtobin@wlawgroup.com

Attention: Jeffrey M. Lee, Q.C. and Josh Morrison
E-mail: JMLee@mltaikins.com / JMorrison@mltaikins.com


- (b) The Debtor and the Guarantor expressly represent and warrant to BTA that they have full power and authority to enter into and perform their obligations hereunder.

- (c) This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein. Each of the Parties hereby attorns to the non-exclusive jurisdiction of the courts of Saskatchewan.
- (d) This Agreement shall enure to the benefit of and be binding upon the Parties and their respective administrators, successors and permitted assigns (as the case may be).
- (e) If any one or more of the provisions contained in this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- (f) The records of BTA shall be *prima facie* proof of the outstanding amount of Indebtedness owed by the Debtor to BTA, the amount of any payment made, the amount of any part of the Indebtedness which is in default and any notice or demand being made.
- (g) All of the rights and remedies of BTA hereunder and under any agreement delivered pursuant hereto are cumulative and are in addition to, without prejudice to and shall not be deemed to exclude any other right or remedy allowed to BTA hereunder or any agreement delivered pursuant hereto, except as specifically set out herein. All of the rights and remedies of BTA may be exercised concurrently.
- (h) Time shall be of the essence of this Agreement in all respects.
- (i) The Parties shall execute such further documents, deeds and assurances, and will do all such acts as may be reasonably required to fully implement the intent of this Agreement.
- (j) No condoning, excusing or waiver by any party of any default, breach or non-observance by any Party at any time or times with respect to any covenants or provisos contained in this Agreement shall constitute a waiver by that Party of its rights to act upon such or further default, breach or non-observance.
- (k) This Agreement may be executed in two or more counterparts, and may be signed by facsimile or other means of electronic communication producing a printed copy, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the Effective Date first written above.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the Effective Date.

BTA REAL ESTATE GROUP INC.


Per: 
I have authority to bind the corporation.

FAMILY FITNESS INC.

Per: 
I have authority to bind the corporation.


Witness

Dana M. Nowak
Barister & Solicitor


SAID KAISS


AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF SASKATCHEWAN)
TO WIT:)

I, Dana Nowak, of the City of Edmonton, in the Province of ALBERTA, lawyer, MAKE
OATH AND SAY:

1. THAT I was personally present and did see SAID KAISS, named in the within
instrument, who is personally known to me to be the person named therein, duly sign and
execute the same for the purposes named therein.
2. THAT the same was executed at the City of , in the Province of Alberta, and that I am the
subscribing witness thereto.
3. THAT I know the said SAID KAISS and he is in my belief of the full age of eighteen
(18) years or more.

SWORN BEFORE ME at the City of)
Edmonton, in the Province of)
Alberta, this 20 day)
of June, 2019.)


A Commissioner for Oaths or Notary Public
in and for the Province of Alberta.
My commission expires _____
- or - Being a Solicitor.

Molly McIntosh
Barrister & Solicitor



Dana Nowak

CERTIFICATE OF INDEPENDENT LEGAL ADVICE

TO: BTA Real Estate Group Inc. ("BTA")

On this 20 day of June, 2019, I was consulted by Said Kaiss ("Mr. Kaiss") in his presence alone as to the effect of his executing the attached Forbearance Agreement dated for reference June 15, 2019, between BTA Real Estate Group Inc. (on the one hand) and Family Fitness Inc. ("FFI") and Said Kaiss (on the other hand).

I explained to him the nature of the document described above, and advised him fully as to the liability which FFI and Mr. Kaiss would incur by executing it. I also advised him fully as to the manner in which such liability could be enforced by BTA against FFI and Mr. Kaiss. He has informed me, and I am satisfied, that he fully understands the nature and effect of executing the Forbearance Agreement and that in executing the Forbearance Agreement, he is acting freely and not under any undue influence exercised by the officers, employees or agents of BTA or any other person.

I have given this advice to Mr. Kaiss as his solicitor and in my capacity as legal counsel to FFI and Mr. Kaiss and without regard to or consideration for the interests of BTA or any other person in connection with this matter.

MLT Aikins LLP

Per: _____

Dana Nowak

I, Said Kaiss, hereby acknowledge that all of the statements made in this Certificate are true, and that DANA NOWAK, in advising me herein, was consulted by me as my personal solicitor, and as solicitor to FFI.

M. McIntosh
Witness

**Molly McIntosh
Barrister & Solicitor**

S. Kaiss
SAID KAISS

Schedule “A”

Schedule of Payment Installments

Family Fitness Repayment Plan

	2019	2020	2021	2022
January		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
February		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
March		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
April		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
May		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
June	\$ 265.24	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00
July	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	\$ 19,659.16
August	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
September	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
October	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
November	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
December	\$ 25,000.00	\$ 10,000.00	\$ 20,000.00	
Total	\$ 150,265.24	\$ 120,000.00	\$ 240,000.00	\$ 139,659.16
Sum of Totals	\$ 649,924.40			

Schedule “B”

Consent Receivership Order

COURT FILE NUMBER

Q.B. _____ of 20__

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF FAMILY FITNESS INC.

Before the Honourable ____ Justice ____ in Chambers the _____ day of _____, 20____.

Upon the application of BTA REAL ESTATE GROUP INC. in respect of FAMILY FITNESS INC.; and upon having read the Originating Application, the Affidavit of Fazal Anwar and the Brief of Law on behalf of the Applicant; and upon reading the consent of Deloitte Restructuring Inc. to act as receiver ("**Receiver**"); and upon noting the consent endorsed hereon of Family Fitness Inc.; all filed; and upon hearing counsel for all parties represented by counsel at the hearing;

The Court Orders:

SERVICE

1. To the extent required, the time for service of notice of the application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the personal property of the Debtor acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property, and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a

temporary basis, to assist with the exercise of the Receiver's powers and duties including, without limitation, those conferred by this Order;

- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause, and in each such case notice under section 59(10) of the PPSA shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto provided, however, that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require, including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement, if such Proceeding is not commenced before the expiration of the stay provided by this paragraph; or (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor or the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a mortgage or security interest; or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect a lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further steps shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Debtor and the Receiver. The stay and suspension shall not apply in respect of any "**Eligible Financial Contract**" as defined in section 65.1 of the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, including, without limitation, insurance coverage, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an Eligible Financial Contract with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or

services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale or disposition of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5), 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c 47.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within ten (10) days after the order is made if no time is so specified, within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within ten (10) days after the order is made or within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
 - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by section 14.06 of the BIA or any other applicable legislation.

LIMITATION ON THE RECEIVER'S LIABILITY

- 16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Sections 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements and the Receiver and counsel to the Receiver shall be entitled to, and are hereby granted, a charge (the "**Receiver's Charge**") on the Property as security for such fees and disbursements both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 18. The Receiver and its legal counsel shall pass their accounts from time to time.

19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver shall be at liberty and is hereby empowered to borrow, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not at any time exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court, on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
27. Unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or

desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. The Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and for the recognition that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

NOTICE AND SERVICE

32. The Applicant shall, within ten (10) days of the date of this Order, cause a true copy of this Order to be served by prepaid ordinary mail on all Persons to whom the Receiver is required to send notice pursuant to section 245(1) of the BIA (the "Notice").
33. The Notice shall be deemed to have been received on the seventh day after mailing.
34. The Notice served pursuant to paragraph 32 above shall be accompanied by a cover letter in the form attached as Schedule "B" to this Order.
35. The Electronic Case Information and Service Protocol attached as Schedule "C" hereto (the "Protocol") is approved and adopted for these proceedings. Terms which are capitalized herein but otherwise not defined shall bear the respective meanings ascribed to them in the Protocol. Service of documents made in accordance with the Protocol shall (subject to review by the Court at the time of any application) constitute valid and effective service. A Case Website shall be established in accordance with the Protocol with the following URL: www.insolvencies.deloitte.ca/en-ca/familyfitnessinc. Applications in respect of this matter may be made upon three days notice.
36. The failure of any Person to forward a Request for Electronic Service or a Request for Facsimile Service to the Service List Keeper shall release the Receiver, the Applicant, and any other interested Person serving court materials in this matter from any requirement to provide further notice in respect of these proceedings to any such Person until such time as a properly completed request for such service is received from such Person by each of the counsel for the Receiver and the Applicant.
37. The Applicant and the Receiver shall be at liberty to serve the Notice on any other interested Person by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such Persons at their respective addresses as last shown on the records of the Applicant.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this ____ day of _____, 20__.

DEPUTY LOCAL REGISTRAR

This Consent Receivership Order consented to in form and in substance this ____ day of June, 2019.

BTA REAL ESTATE GROUP INC., by its
solicitors and authorized agents, The W Law
Group LLP

Per: _____

This Consent Receivership Order consented to in form and in substance this ____ day of June, 2019.

FAMILY FITNESS INC., by its solicitors and
authorized agents, MLT Aikins LLP

Per:  _____

This document was delivered by:

The W Law Group LLP, counsel for the Applicant, BTA Real Estate Group Inc.
Suite 300, 110 – 21st Street East
Saskatoon, SK S7K 0B6
Attention: Mike Russell
Email: mrussell@wlawgroup.com

TO: The Local Registrar, Judicial Centre of Saskatoon

AND TO: MLT Aikins LLP, counsel for the Respondent, Family Fitness Inc.
1500 – 410 22nd Street East
Saskatoon, Sk S7K 5T6
Attention: Jeffrey M. Lee, Q.C.
Email: jmlee@mltaikins.com

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Family Fitness Inc. (the "**Debtor**") acquired for, or used in relation to the Debtor's business, including all proceeds thereof (the "**Property**") appointed by Order of the Court of Queen's Bench of Saskatchewan (the "**Court**") issued the ____ day of _____, 20____ (the "**Order**") made in action _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the ____ day of each month after the date hereof at a notional rate per annum equal to the rate of _ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada) and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity as
Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

COVER LETTER OF DEMAND FOR NOTICE

[Date]

[Address]

[Address]

[Address]

[Address]

Attention:

RE: IN THE MATTER OF THE RECEIVERSHIP OF FAMILY FITNESS INC.

A Receiver has been appointed by Order of the Court of Queen's Bench for Saskatchewan over the property, assets and undertaking of Family Fitness Inc. A copy of the Court Order appointing Deloitte Restructuring Inc. as Receiver is posted on the Case Website at: www.insolvencies.deloitte.ca/en-ca/familyfitnessinc.

You may wish to monitor these proceedings. If you wish to do so, you may obtain up to date information respecting all court matters, including court applications and Receiver's reports by accessing the Case Website at www.insolvencies.deloitte.ca/en-ca/familyfitnessinc.

If at any time, you would like to be served with court documents relating to further proceedings in relation to this matter, please review the Electronic Case Information and Service Protocol (the "**Protocol**") set forth in Schedule "C" to the Order and complete and transmit a Request for Electronic Service (or where permitted a Request for Facsimile Service) to each of the following persons:

1. BTA Real Estate Group Inc.

c/o The W Law Group LLP

Attention: Hailey Swire

Email: hswire@wlawgroup.com

2. Deloitte Restructuring Inc.

700, 850 – 2 St. SW

Calgary, AB T2P 0R8

Attention: Ryan Adlington

Email: radlington@deloitte.ca

If you do not properly complete a request for service and forward that request by email to each of the above-referenced persons indicating that you require to be served with court documents in these proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the proceedings.

DEMAND FOR NOTICE

TO:

1. BTA Real Estate Group Inc.

c/o The W Law Group LLP

Attention: Hailey Swire

Email: hswire@wlawgroup.com

3. Deloitte Restructuring Inc.

700, 850 – 2 St. SW

Calgary, AB T2P 0R8

Attention: Ryan Adlington

Email: radlington@deloitte.ca

Re: In the Matter of the Receivership of Family Fitness Inc.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

(a) by email, at the following email address:

_____, or

(b) I do not have the ability to receive electronic mail, and am therefore eligible to request, and do hereby request, notice by facsimile at the following facsimile number:

_____.

Signature: _____

Name of Creditor: _____

Address of Creditor: _____

Phone Number: _____

SCHEDULE "C"

Electronic Case Information and Service Protocol

See attached.

This is Exhibit "K" referred to
in the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.

A handwritten signature in blue ink, appearing to be 'A. Anwar', is written over a horizontal line.

A commissioner for Oaths for
Saskatchewan My Commission
expires

-OR- Being a Solicitor



Telephone: 306.244.2242
Toll Free: 1.888.244.2242
Facsimile: 306.652.0332
E-mail: info@wlawgroup.com
Web: www.wlawgroup.com

Suite 300
110 – 21st Street East
Saskatoon, SK S7K 0B6

Reply to: Michael J. Russell
mrussell@wlawgroup.com

September 4, 2020

Via Email: E-mail: JMLee@mltaikins.com / JMorrison@mltaikins.com

MLT Aikins LLP
1500 – 1874 Scarth St.
Regina, SK S4P 4E9

Attention: Jeffrey M. Lee, Q.C., and Josh Morrison

Dear Messrs. Lee and Morrison:

Re: BTA Real Estate Group Inc. v Family Fitness Inc. and Said Kaiss
Our File No.: 43883-1

We are writing on behalf of BTA Real Estate Group Inc. (“**BTA**”) regarding the June 15, 2019, Forbearance Agreement (the “**Agreement**”) between BTA and both Family Fitness Inc. and Said Kaiss (collectively, the “**Debtor**”).

You may consider this correspondence as BTA’s notice that the Debtor has breached essential conditions of forbearance as set out in the Agreement. Specifically, the Debtor has failed to make monthly payments to BTA in accordance with Article 3(b) of the Agreement and has failed to comply with its reporting obligations owing to BTA pursuant to a September 26, 2013, General Security Agreement in accordance with Article 3(e) of the Agreement. Such failures to make timely payment to BTA and to report to BTA as required under the initial General Security Agreement constitute Events of Default within the meaning of Article 5(a) of the Agreement.

This correspondence constitutes BTA’s written notice of termination of the Agreement, provided in accordance with Article 5(b) thereof.

The Agreement shall, therefore, terminate in five days from the date hereof, after which point the entirety of the indebtedness owing to BTA by the Debtor shall become immediately due and payable. BTA further reserves to itself all rights as against the Debtor under the Agreement, at law, or pursuant to any other agreement or instrument between BTA and the Debtor.

Yours truly,

the **W** LAW GROUP LLP

A handwritten signature in blue ink, appearing to read "MJR", with a stylized flourish above the letters.

Michael J. Russell
MJR:KNH

This is Exhibit "L" referred to
in the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires
-OR- Being a Solicitor

FAMILY FITNESS INC.

FINANCIAL STATEMENTS

June 30, 2019

(Unaudited - See Notice to Reader)

SENGER KAUFMANN CPA PROF. CORP.

CHARTERED PROFESSIONAL ACCOUNTANTS

EDWIN J. SENGER, CPA, CMA
LEIGH D. KAUFMANN, CPA, CMA

940 Victoria Avenue East
Regina, Saskatchewan S4N 7A9
Telephone (306) 584-1221
Facsimile (306) 584-1223
office@sengerkaufmann.com

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Family Fitness Inc. as at June 30, 2019 and the statements of net loss and retained earnings (deficit) for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

July 18, 2019
Regina, Saskatchewan

Senger Kaufmann CPA Prof. Corp.
Chartered Professional Accountants

FAMILY FITNESS INC.
BALANCE SHEET
(Unaudited - See Notice to Reader)

As at June 30	2019	2018
<hr/>		
ASSETS		
CURRENT		
Cash	\$ 192,704	\$ 119,185
Due from SM Fitness Inc.	6,038	159,666
Inventory	2,939	2,939
Prepaid expenses, deposits	10,043	17,268
Income taxes receivable	<u>-</u>	<u>154,298</u>
	211,724	453,356
PROPERTY, PLANT & EQUIPMENT	<u>894,173</u>	<u>1,042,600</u>
	\$ 1,105,897	\$ 1,495,956

FAMILY FITNESS INC.
BALANCE SHEET
(Unaudited - See Notice to Reader)

As at June 30	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable, accrued charges	\$ 938,404	\$ 624,225
Current portion of loans payable	<u>203,000</u>	<u>228,000</u>
	1,141,404	852,225
LONG TERM LIABILITIES		
Loans payable	<u>31,665</u>	<u>218,589</u>
	<u>1,173,069</u>	<u>1,070,814</u>
SHAREHOLDERS' EQUITY (DEFICIT)		
Capital Stock	312	312
Loans from Shareholders	449,185	820,612
Retained earnings (Deficit)	<u>(516,669)</u>	<u>(395,782)</u>
	<u>(67,172)</u>	<u>425,142</u>
	\$ <u>1,105,897</u>	\$ <u>1,495,956</u>

APPROVED BY:

Director

FAMILY FITNESS INC.
STATEMENT OF NET LOSS
(Unaudited - See Notice to Reader)

For the Year Ended June 30

2019

2018

REVENUE

Interest income	\$ 1,627	\$ -
Apparel sales	556	439
Beverage sales	-	1,567
Schools	2,969	3,895
Other income	1,856	792
Membership fees	5,219,853	4,358,299
Add on services	202,661	202,908
Personal training	673,409	453,085
Rental income	<u>116,234</u>	<u>104,854</u>
	6,219,165	5,125,839

EXPENSES - "Schedule 1"

6,340,052 **5,704,693**

LOSS BEFORE INCOME TAXES

(120,887) **(578,854)**

PROVISION FOR INCOME TAXES

- **(152,574)**

NET LOSS

\$ (120,887) **\$ (426,280)**

FAMILY FITNESS INC.
STATEMENT OF RETAINED EARNINGS (DEFICIT)
(Unaudited - See Notice to Reader)

For the Year Ended June 30	2019	2018
RETAINED EARNINGS, beginning of year	\$ (395,782)	\$ 30,498
NET LOSS	<u>(120,887)</u>	<u>(426,280)</u>
RETAINED EARNINGS (DEFICIT), end of year	\$ <u>(516,669)</u>	\$ <u>(395,782)</u>

FAMILY FITNESS INC.
SCHEDULE OF EXPENSES

Unaudited - See Notice to Reader

Schedule "1"

For the Year Ended June 30	2019	2018
Advertising, promotion	\$ 1,200	\$ 880
Amortization- property, plant & equipment	184,693	212,398
Bank charges, interest,ASF fees	137,835	126,094
Cal Fit fees	114,286	-
Equipment rental	424,938	364,397
Gym supplies	24,512	23,012
Insurance, licenses, memberships	27,049	22,896
Overhead- Schedule 2	1,034,457	882,264
Janitorial contract, supplies	64,854	46,617
Landlord interest	122,275	-
Linen supplies	89,345	78,753
Long term interest	17,609	28,286
Office, postage	12,881	14,320
Other expenses	200	1,879
Personal training fees, group e:	311,584	261,097
Rent	1,834,543	1,847,949
Repairs, maintenance	128,985	80,700
Royalties	-	134,379
Sales consulting and training	11,459	-
Telephone	54,318	55,183
Utilities	263,166	275,029
Wages, benefits	1,479,863	1,248,560
	<u>\$ 6,340,052</u>	<u>\$ 5,704,693</u>

FAMILY FITNESS INC.
SCHEDULE OF OVERHEAD EXPENSES

Unaudited - See Notice to Reader

		Schedule "2"
For the Year Ended June 30	2019	2018
Advertising, promotion	\$ 179,750	\$ 159,741
Auto	10,473	9,459
Entertainment, meals	5,507	2,583
Equipment rental	21,327	18,060
Gym supplies	15,372	18,734
Group exercise	1,183	6,521
Licenses, memberships	47,980	22,622
Office supplies, postage	5,882	23,915
Professional fees	40,269	60,035
Telephone	9,297	6,243
Travel	17,564	6,456
Wages	739,853	607,895
Less recovery	<u>(60,000)</u>	<u>(60,000)</u>
	<u>\$ 1,034,457</u>	<u>\$ 882,264</u>

FAMILY FITNESS INC.

FINANCIAL STATEMENTS

June 30, 2020

(Unaudited - See Notice to Reader)

draft

SENGER KAUFMANN CPA PROF. CORP.

CHARTERED PROFESSIONAL ACCOUNTANTS

EDWIN J. SENGER, CPA, CMA
LEIGH D. KAUFMANN, CPA, CMA

940 Victoria Avenue East
Regina, Saskatchewan S4N 7A9
Telephone (306) 584-1221
Facsimile (306) 584-1223
office@sengerkaufmann.com

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Family Fitness Inc. as at June 30, 2020 and the statements of net loss and retained earnings (deficit) for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

August 21, 2020
Regina, Saskatchewan

Senger Kaufmann CPA Prof. Corp.
Chartered Professional Accountants

FAMILY FITNESS INC.
BALANCE SHEET
(Unaudited - See Notice to Reader)

As at June 30

2020

2019

ASSETS

CURRENT

Cash	\$ 140,186	\$ 192,704
Due from SM Fitness Inc.	16,617	6,038
Inventory	2,939	2,939
Prepaid expenses, deposits	<u>8,887</u>	<u>10,043</u>
	168,629	211,724

PROPERTY, PLANT & EQUIPMENT

<u>771,530</u>	<u>894,173</u>
<u>\$ 940,159</u>	<u>\$ 1,105,897</u>

draft

FAMILY FITNESS INC.
BALANCE SHEET
(Unaudited - See Notice to Reader)

As at June 30

2020

2019

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable, accrued charges	\$ 1,229,262	\$ 938,404
Current portion of loans payable	<u>80,411</u>	<u>203,000</u>
	1,309,673	1,141,404

LONG TERM LIABILITIES

Loans payable	<u>-</u>	<u>31,665</u>
	<u>1,309,673</u>	<u>1,173,069</u>

SHAREHOLDERS' EQUITY (DEFICIT)

Capital Stock	312	312
Loans from Shareholders	660,679	449,185
Retained earnings (Deficit)	<u>(1,030,505)</u>	<u>(516,669)</u>
	<u>(369,514)</u>	<u>(67,172)</u>
	<u>\$ 940,159</u>	<u>\$ 1,105,897</u>

APPROVED BY:

Director

FAMILY FITNESS INC.
STATEMENT OF NET LOSS
(Unaudited - See Notice to Reader)

For the Year Ended June 30

2020

2019

REVENUE

Interest income	\$ 69,456	\$ 1,627
Apparel sales	708	556
Schools	3,520	2,969
Other income	27,238	1,856
Subsidies, grants	47,836	-
Membership fees	4,066,953	5,219,853
Add on services	154,658	202,661
Personal training	412,074	673,409
Rental income	<u>69,432</u>	<u>116,234</u>
	4,851,875	6,219,165

EXPENSES - "Schedule 1"

5,338,711 **6,340,052**

NET LOSS

\$ (486,836) **\$ (120,887)**

FAMILY FITNESS INC.
STATEMENT OF RETAINED EARNINGS (DEFICIT)
(Unaudited - See Notice to Reader)

For the Year Ended June 30	2020	2019
RETAINED EARNINGS, beginning of year	\$ (516,669)	\$ (395,782)
NET LOSS	(486,836)	(120,887)
DIVIDENDS	<u>(27,000)</u>	<u>-</u>
RETAINED EARNINGS (DEFICIT), end of year	\$ <u>(1,030,505)</u>	\$ <u>(516,669)</u>

draft

FAMILY FITNESS INC.
SCHEDULE OF EXPENSES

Unaudited - See Notice to Reader

Schedule "1"

For the Year Ended June 30	2020	2019
Advertising, promotion	\$ -	\$ 1,200
Amortization- property, plant & equipment	158,567	184,693
Bank charges, interest,ASF fees	102,251	137,835
Cal Fit fees	85,714	114,286
Equipment rental	318,628	424,938
Gym supplies	23,553	24,512
Insurance, licenses, memberships	20,917	27,049
Overhead- Schedule 2	852,831	1,034,457
Janitorial contract, supplies	54,545	64,854
Landlord interest	14,545	122,275
Linen supplies	76,859	89,345
Long term interest	6,603	17,609
Office, postage	11,550	12,881
Other expenses	324	200
Personal training fees, group e:	255,916	311,584
Rent	1,833,349	1,834,543
Repairs, maintenance	92,292	128,985
Sales consulting and training	19,924	11,459
Telephone	49,322	54,318
Utilities	251,824	263,166
Wages, benefits	1,109,197	1,479,863
	<u>\$ 5,338,711</u>	<u>\$ 6,340,052</u>

FAMILY FITNESS INC.
SCHEDULE OF OVERHEAD EXPENSES

Unaudited - See Notice to Reader

		Schedule "2"
For the Year Ended June 30	2020	2019
Advertising, promotion	\$ 139,572	\$ 179,750
Auto	18,002	10,473
Entertainment, meals	3,279	5,507
Equipment rental	23,047	21,327
Gym supplies	23,877	15,372
Group exercise	200	1,183
Janitorial	4,525	58
Licenses, memberships	40,171	47,980
Office supplies, postage	5,427	5,824
Professional fees	58,312	40,269
Telephone	8,638	9,297
Travel	11,765	17,564
Wages	561,016	739,853
Less recovery	(45,000)	(60,000)
	<u>\$ 852,831</u>	<u>\$ 1,034,457</u>

This is Exhibit "M" referred to
in the Affidavit of Fazal Anwar.
Sworn before me this 8th day of
October, 2020.



A commissioner for Oaths for
Saskatchewan My Commission
expires

-OR- Being a Solicitor

Kevin Hoy

From: Justin Zelowsky <jzelowsky@wlawgroup.com>
Sent: October-08-20 2:54 PM
To: jzelowsky@wlawgroup.com
Subject: FW: New Agreement

----- Original message -----

From: Skye Kaiss <skaiss@evolutionfitness.ca>

Date: 2020-09-10 2:53 p.m. (GMT-06:00)

To: Fazal Anwar <fazal.e.anwar@gmail.com>

Cc: btagroup <btagroup@sasktel.net>, "Schmitz, Sherry" <Sherry.Schmitz@colliers.com>, Talal Kays <talalkays@hotmail.com>, Wassim Kaiss <wkaiss@hotmail.com>, mrussell@wlawgroup.com

Subject: RE: New Agreement

With all due respect Fazal, this is an outrageous offer that only an idiot would even think about accepting.

It seems that you're using this pandemic as an opportunity to profit and gain rather than share the pain with us.

If you're serious about working out a reasonable deal let me know, otherwise finish this back and forth bullshit and bankrupt us!

I'm glad to hear that you didn't get into this to see me fail, you should also know that I didn't get into this to be your slave.

We've had enough of this garbage!

Skye Kaiss | Managing Partner

w: evolutionfitness.ca | **m:** 306-530-4653 |

From: Fazal Anwar <fazal.e.anwar@gmail.com>
Sent: September 10, 2020 12:19 PM
To: Skye Kaiss <skaiss@evolutionfitness.ca>
Subject: New Agreement

Hi Skye,

[CONTENT REMOVED DUE TO PRIVILEGE]

We didn't get into this to see you fail. It's our hope that you succeed at this.

Fazal Anwar

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BTA REAL ESTATE GROUP INC.
Fazal E. Anwar
B.Mgt Finance

C.306-881-2590

F.306-384-5545

--

BTA REAL ESTATE GROUP INC.

Fazal E. Anwar

B.Mgt Finance

C.306-881-2590

F.306-384-5545