

COURT FILE NUMBER	2001-
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	<b>CONNECT FIRST CREDIT UNION LTD., as the successor in interest to FIRST CALGARY SAVINGS &amp; CREDIT UNION LTD. and FIRST CALGARY FINANCIAL CREDIT UNION LIMITED</b>
RESPONDENTS	<b>WILLOW PARK LIMITED PARTNERSHIP, WILLOW PARK CAPITAL CORP., WESLEY CHURCH BUILDING LIMITED PARTNERSHIP, WESLEY CHURCH BUILDING INC., PARAMOUNT BUILDING LIMITED PARTNERSHIP and PARAMOUNT BUILDING LTD.</b>
PARTY FILING THIS DOCUMENT	CONNECT FIRST CREDIT UNION LTD., as the successor in interest to FIRST CALGARY SAVINGS & CREDIT UNION LTD. and FIRST CALGARY FINANCIAL CREDIT UNION LIMITED
DOCUMENT	<b>SECOND AFFIDAVIT OF KUNLE POPOOLA</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<p>Torys LLP  4600 Eighth Avenue Place East  525 - Eighth Ave SW  Calgary, AB T2P 1G1</p> <p>Attention: Kyle Kashuba  Telephone: +1 403.776.3744  Fax: +1 403.776.3800  Email: kkashuba@torys.com  File No. 39855-2001</p>

**SECOND AFFIDAVIT OF KUNLE POPOOLA**

Sworn on March 26 2020

I, Kunle , of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am a Manager, Special Loans & Collections at Connect First Credit Union Ltd., which is the successor of First Calgary Savings & Credit Union Ltd. and First Calgary Financial Credit Union Limited (the "**Lender**"), and, as such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

## Loans and Security

### *Willow Park*

2. Pursuant to a Commitment Letter dated May 22, 2009, as amended by Amendments to Commitment Letter dated June 3, 2009 and June 25, 2009 between the Lender, Willow Park Limited Partnership (“**Willow Park LP**”) as borrower, Willow Park Capital Corp. (“**Willow Park Corp.**”), Technology Bank Inc. (“**Tech Inc.**”) and Irrational Exuberance Corp. (“**IE Corp.**”) as corporate guarantors and Riaz Mamdani (“**Mr. Mamdani**”) as personal guarantor, a Commitment Letter dated November 23, 2011 between the Lender, Willow Park LP, as borrower, and Willow Park Corp., IE Corp. and Tech. Inc. as corporate guarantors, and Mr. Mamdani as personal guarantor, and a Renewal Offer Letter dated January 12, 2017 between the Lender, Willow Park LP as borrower, Willow Park Corp. and IEC Corp. as corporate guarantors, and Mr. Mamdani as personal guarantor (collectively, the “**Willow Park Commitment Letter**”), the Lender agreed to make and made certain loans to Willow Park LP (the “**Willow Park Loans**”).
3. The repayment of the monies from time to time due and owing by Willow Park LP to the Lender in respect of the Willow Park Loans, including interest thereon and all other costs, charges, and expenses associated with the recovery of the foregoing amounts, including legal costs on a solicitor and own client, full indemnity basis (collectively, the “**Willow Park Indebtedness**”), is secured in whole or in part by various security instruments, including, but not limited to:
  - (a) Mortgage dated December 6, 2011 granted by Willow Park Corp. in favour of the Lender with respect to the lands municipally described as 10325 Bonaventure Drive SE, Calgary, Alberta (the “**Willow Park Lands**”);
  - (b) Assignment of Rents and Leases dated December 6, 2011 granted by Willow Park Corp. in favour of the Lender with respect to the Willow Park Lands;
  - (c) General Security Agreement dated June 19, 2009 granted by Willow Park Corp. in favour of the Lender; and
  - (d) General Security Agreement dated June 19, 2009 granted by Willow Park LP in favour of the Lender,(collectively, the “**Willow Park Security**”).

4. The Willow Park Commitment Letter and the Willow Park Security are collectively attached hereto and marked as **Exhibit “A”**.

*Wesley Church*

5. Pursuant to a Commitment Letter dated June 21, 2007 between the Lender, Wesley Church Building Limited Partnership (“**Wesley Church LP**”) as borrower, and Mr. Mamdani as personal guarantor, and a Renewal Offer Letter dated October 30, 2012 between the Lender, Wesley Church LP as borrower and Mr. Mamdani as personal guarantor (collectively, the “**Wesley Church Commitment Letter**”), the Lender agreed to make and made certain loans to Wesley Church LP (the “**Wesley Church Loans**”).
6. The repayment of the monies from time to time due and owing by Wesley Church LP to the Lender in respect of the Wesley Church Loans, including interest thereon and all other costs, charges, and expenses associated with the recovery of the foregoing amounts, including legal costs on a solicitor and own client, full indemnity basis (collectively, the “**Wesley Church Indebtedness**”), is secured in whole or in part by various security instruments, including:
  - (a) Mortgage dated August 1, 2007 granted by Wesley Church Building Inc. (“**Wesley Church Inc.**”) in favour of the Lender with respect to the lands municipally described as 1315 7 St SW, Calgary, Alberta (the “**Wesley Church Lands**”);
  - (b) Assignment of Rents and Leases dated August 1, 2007 granted by Wesley Church Inc. in favour of the Lender with respect to the Wesley Church Lands; and
  - (c) Specific Security Agreement dated August 1, 2007 granted by Wesley Church LP in favour of the Lender with respect to all present and after acquired personal property of Wesley Church LP located on the Wesley Church Lands,  
  
(collectively, the “**Wesley Church Security**”).
7. The Wesley Church Commitment Letter and the Wesley Church Security are collectively attached hereto and marked as **Exhibit “B”**.

*Paramount Building*

8. Pursuant to a Commitment letter dated September 20, 2012 and a Renewal Offer Letter dated April 25, 2018 between the Lender, Paramount Building Limited Partnership (“**Paramount LP**”) as

borrower, and Paramount Building Ltd. ("**Paramount Ltd.**") and IE Corp. as corporate guarantors, and Riaz Mamdani as personal guarantor (collectively, the "**Paramount Commitment Letter**"), the Lender agreed to make and made certain loans to Paramount Building LP (the "**Paramount Loans**").

9. The repayment of the monies from time to time due and owing by Paramount LP to the Lender in respect of the Paramount Loans, including interest thereon and all other costs, charges, and expenses associated with the recovery of the foregoing amounts, including legal costs on a solicitor and own client, full indemnity basis (collectively, the "**Paramount Indebtedness**"), is secured in whole or in part by various security instruments, including:
  - (a) Mortgage dated October 11, 2012, granted by Paramount Ltd. in favour of the Lender with respect to the lands municipally described as 1011 1 St SW, Calgary, Alberta (the "**Paramount Building Lands**");
  - (b) Assignment of Rents and Leases dated October 11, 2012 granted by Paramount Ltd. in favour of the Lender with respect to the Paramount Building Lands;
  - (c) General Security Agreement dated November 10, 2014 granted by IE Corp. in favour of the Lender; and
  - (d) General Security Agreement and Charge of Land dated October 11, 2012 granted by Paramount Building LP in favour of the Lender,  
  
(collectively, the "**Paramount Building Security**").
10. The Paramount Commitment Letter and the Paramount Building Security are collectively attached hereto and marked as **Exhibit "C"**.
11. The Lender holds a first charge mortgage interest against each of the Willow Park Lands, the Wesley Church Lands, and the Paramount Building Lands (collectively, the "**Lands**").
12. Copies of Certificates of Title in respect of the Lands are collectively attached hereto and marked as **Exhibit "D"**.
13. Willow Park LP, Willow Park Corp., Wesley Church LP, Wesley Church Inc., Paramount LP, and Paramount Ltd. are hereinafter collectively referred to as the "**Debtors**".

14. The Willow Park Security, the Wesley Church Security, and the Paramount Building Security are hereinafter collectively referred to as the “**Security**”.

#### **Indebtedness**

15. As of March 13, 2020:
- (a) the Willow Park Indebtedness equals \$11,222,491.12, broken down as follows:
    - (i) Principal: \$11,094,268.22;
    - (ii) Interest: \$128,222.92; and
    - (iii) Further accruing *per diem* interest of \$985.15,
  - (b) the Wesley Church Indebtedness equals \$340,428.13, broken down as follows:
    - (i) Principal \$338,771.88;
    - (ii) Interest: \$4,999.59; and
    - (iii) Further accruing *per diem* interest of \$38.41,
  - (c) the Paramount Indebtedness equals \$5,315,408.92, broken down as follows:
    - (i) Principal: \$5,287,378.57;
    - (ii) Interest: \$84,612.90; and
    - (iii) Further accruing *per diem* interest of \$650.09.

#### **CCAA Proceedings and Interim Receivership**

16. On December 10, 2019, this Court granted an Initial Order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act* in respect of a number of entities, including some of the Debtors.
17. On December 20, 2019, this Court denied an application to extend the initial stay of proceedings granted under the Initial Order and granted an Interim Receivership Order (the “**Interim Receivership Order**”) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as the interim receiver and receiver and manager (the “**Interim Receiver**”) of the property described therein, including the Lands and all personal property of the Debtors in relation to the Lands (the “**Debtors IRO Property**”).

18. On January 19, 2020, the Lender issued a demand letter and Notice of Intention to Enforce Security to the Debtors pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (collectively, the “**Demand**”).
19. The Demand is attached hereto and marked as **Exhibit “E”**.
20. On January 30, 2020 and February 19, 2020, a Receivership Order (Expanded Powers) and an Amended and Restated Receivership Order (Expanded Powers), respectively, were granted by this Court in respect of certain properties described therein. None of the Debtors’ properties are subject to the foregoing Orders.
21. Between January 10, 2020 and March 16, 2020, the Lender engaged in negotiations with the Debtors with the aim of allowing the Debtors to repay the Indebtedness outside of a receivership. Ultimately, these negotiations failed.
22. The Lender has lost faith in the ability of the Debtors to repay the Indebtedness.
23. The Lender seeks to transfer the Debtors IRO Property into a separate, new receivership and to include in that receivership any assets that the Debtors may have that have otherwise not been included in the Debtors IRO Property.
24. I believe that the foregoing remedy is required to maximize recoveries from the Debtors’ estate.
25. I am advised by Ernst & Young Inc. (“**EY**”) that EY is qualified and has agreed to act as receiver of the Debtors and exercise any and all of the proposed powers provided for in the draft Receivership Order.
26. In light of all of the foregoing, I believe that the order sought is reasonable, just and convenient.
27. I swear this affidavit in support of appointing a receiver and manager over the assets, properties, and undertakings of the Debtors.

SWORN BEFORE ME at Calgary, Alberta, )  
this 26 day of March, 2020. )

M. Sagar )  
Notary Public or Commissioner for Oaths in )  
and for the Province of Alberta )


Kunle Popoola  
KUNLE POPOOLA

**Marilyn Sagar**  
Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022

# EXHIBIT “A”



This is Exhibit "A" referred to  
in the Affidavit of Kunle Popoola  
Sworn before me this 26 day of March, 2020



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Notary Public or Commissioner for Oaths  
In and for the Province of Alberta

**Marilyn Sagar**

Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022

# EXHIBIT “B”

This is Exhibit "B" referred to  
in the Affidavit of Kunle Popoola  
Sworn before me this 26 day of March, 2020

M Sagar

Notary Public or Commissioner for Oaths  
In and for the Province of Alberta

**Marilyn Sagar**

Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022

# EXHIBIT “C”

This is Exhibit "C" referred to  
in the Affidavit of Kunle Popoola  
Sworn before me this 26 day of March, 2020

MSagar

Notary Public or Commissioner for Oaths  
In and for the Province of Alberta

**Marilyn Sagar**

Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022

# EXHIBIT “D”

This is Exhibit "D" referred to  
in the Affidavit of Kunle Popoola  
Sworn before me this 26 day of March, 2020



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Notary Public or Commissioner for Oaths  
In and for the Province of Alberta

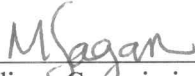
**Marilyn Sagar**

Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022

# EXHIBIT “E”



This is Exhibit "E" referred to  
in the Affidavit of Kunle Popoola  
Sworn before me this 26 day of March, 2020



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Notary Public or Commissioner for Oaths  
In and for the Province of Alberta

**Marilyn Sagar**  
Commissioner for Oaths in and for Alberta  
Appointment expires January 12, 2022