

COURT FILE NUMBER 1801-06804
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF CONNECT FIRST CREDIT UNION LTD.
DEFENDANTS SAFEGUARD REAL ESTATE INVESTMENT
FUND IV LIMITED PARTNERSHIP and CEP
LP INVESTMENT CORP.
DOCUMENT AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**
Barristers and Solicitors
4500, 855 – 2nd Street SW
Calgary, Alberta T2P 4K7
Attention: Blair C. Yorke-Slader, Q.C.
Telephone No.: 403-298-3291
Fax No.: 403-265-7219
Client File No.: 66142.2

AFFIDAVIT OF STEVEN PATRICK BUTT

Sworn on November 26, 2020.

I, **STEVEN PATRICK BUTT**, of Calgary, Alberta, Businessman, SWEAR AND SAY THAT:

1. I am the sole shareholder and director of the Defendant CEP LP Investment Corp. ("CEP"), the general partner of the Defendant Safeguard Real Estate Investment Fund IV Limited ("Safeguard IV"). As such, I have personal knowledge of the facts deposed to herein save where stated to be based upon information in which case I believe the same to be true.
2. Safeguard IV is a limited partnership that was formed by the Concrete Equities group of companies. It owns a majority of the units of a mixed office/retain condominium building

formerly known as Concrete Equities Place and located at 396-11th Avenue SW, Calgary, Alberta. From inception, Safeguard's general partner was a Concrete Equities affiliate called Concrete Associates III Investment Corporation ("Concrete GP").

3. At the conclusion of the CCAA proceedings involving Concrete Equities, the limited partners of Safeguard IV elected CEP on May 28, 2010 as their new general partner to replace Concrete GP, and the Court approved their selection. The Safeguard IV limited partners are, virtually without exception, "mom and pop" retail investors who hold a small number of limited partnership units.
4. My "real job" – my main occupation – is the operation of Avenue Commercial, a real estate brokerage, property management and development firm I co-founded in 2000. I am a licensed real estate agent with more than 35 years of experience in real estate sales, leasing, property management and development.
5. On behalf of CEP, Avenue Commercial acts as property manager of the condominium units owned by Safeguard IV. Attached as **Exhibit "1"** is a copy of the Property Management Agreement. Neither through CEP nor through Avenue Commercial, nor indeed in any other way, do I have any ownership interest in Safeguard IV or in its assets.
6. Because Safeguard owns a majority of the condominium units in the building, it has been able to exercise a majority of votes at meetings of the condominium corporation, Condominium Corporation No. 0811241, (the "Condo Corp"). I am thus have been a member of the Board of the Condo Corp, and Avenue Commercial has acted as Condominium Manager pursuant to an Agreement in writing, a copy of which is attached as **Exhibit "2"**.
7. A significant portion of the office space located in units owned by Safeguard IV – four floors' worth - was leased to Twin Butte Energy Ltd. ("Twin Butte") until September 2016, when Twin Butte went into receivership. On May 11, 2018, the Plaintiff ("Connect First") commenced this foreclosure action.

8. Notwithstanding the foreclosure action, Avenue Commercial and I had some modest success in leasing a few of the office units, but the prospect that units might be sold imminently by court order and any leases of them thereby cancelled made leasing difficult.
9. The modest rental income generated by this leasing permitted Safeguard to pay some property taxes and condominium fees, and to pay other essential costs to heat, light and clean the units. CEP and Avenue Commercial suspended any payments to themselves for their services many months ago.
10. Commencing in late 2019, however, Connect First served its Assignment of Rents and Leases on the tenants and thereby intercepted the rents, leaving Safeguard with no funds from which to pay expenses of the units. By then, substantial property tax arrears had already accrued. Since February 2020 I, through Avenue Commercial, have advanced funds to pay some necessary expenses; these advances total \$228,030.24. I am neither a limited partner (owner) nor a guarantor of Safeguard's debts.
11. Predictably, property tax arrears and condo fee arrears in respect of Safeguard IV's units have grown. These will have to be paid before any recovery can be made by Connect First, but Connect First has refused to allow any of the intercepted rents to be used to pay them. Counsel for the Defendants has made repeated requests in this regard, some of which are attached collectively as **Exhibit "3"**, but without success.
12. As President of the Condominium Corporation and as principal of its Condominium Manager, I am under considerable pressure to file caveats against the Safeguard IV units for unpaid condo fees and to initiate enforcement proceedings in such regard. The failure of Safeguard IV to pay its share of condo fees, and Connect First's refusal to let it use rent revenues to do so, has created a difficult situation for the other owners of units in the building. Because default in payment will disentitle Safeguard IV from voting its units at any meeting of owners of the Condominium Corporation, it is unlikely that I will be able to intervene to delay these steps much longer.
13. Connect First's stated priorities and reasons for applying to appoint an accounting firm as a Receiver and Manager of the Safeguard IV units are:

- to manage the units;
 - to lease the units;
 - to sell leased or unleased units; and
 - to pay property taxes, condo fees and other proper expenses.
14. All of these objectives can be met more efficiently and effectively without incurring the added expense of (a) the accounting firm, and presumably (b) a new property manager unfamiliar with the units or the building.
 15. Upon learning through counsel about this Application, and in particular about Connect First's willingness to have units leased up for purposes of sale (rather than having leases potentially cancelled upon sale), I quickly took steps through Avenue Commercial to seek potential tenants. I have already secured a potential tenant for four full floors of the building at competitive rents, and hope to have a signed offer to lease this week. I applaud Connect first's new lease up approach, and agree that it is a better way to maximize recovery for the lender and the owners.
 16. Avenue Commercial is prepared to continue its award-winning (2018 and 2019) property management and leasing duties. Its rates for such services pursuant to the Property Management Agreement are, I believe, at or below market. If for some reason Connect First wants to add another leasing and sales agent, that would be fine too. Pricing for leased units should be immediately adjusted to account for their enhanced value. Avenue Commercial is prepared to continue its own efforts as well, for the benefit of all parties.
 17. It is no secret that property taxes, condo fees, utilities and other necessary and proper expenses need to be paid. As explained above, the general partner does not have funds to pay them and has no practical mechanism by which to raise such funds. The expenses need to be funded by Connect First and added to the mortgage. The appointment of a Receiver/Manager would not improve things; it would merely add more costs.
 18. I, Avenue Commercial, CEP and Safeguard remain fully prepared to cooperate with Connect First in the efficient and effective lease up, marketing and sale of the units.

SWORN BEFORE ME
at Calgary, Alberta, this
26th day of November, 2020.

C. Eastgaard

A Commissioner for Oaths
in and for Alberta



STEVEN PATRICK BUTT

Print name

My Commission expires on:

Carolynn C. Eastgaard
My Commission Expires
June 14, 20 21

This is **EXHIBIT "1"** referred to in the

Affidavit of

STEVEN PATRICK BUTT

Sworn before me this 26 day of November, 2020



A Commissioner for Oaths
in and for the Province of Alberta

Print Name: _____

My commission expires: _____

Carolynn C. Eastgaard
My Commission Expires
June 14, 20 21

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (the "Agreement") is made and effective January 1st 2020,

BETWEEN: **Safegaurd IV** (the "Owner"), a corporation organized and existing under the laws of the [Alberta], with its head office located at:

AND: **969801 Alberta Ltd operating as Avenue Commercial** (the "Agent"), a corporation organized and existing under the laws of the Province of Alberta, with its head office located at: Suite 300- 1324-11th Ave S.W. Calgary.

RECITALS

A. Owner holds title to the following-described real property:

All of their units owned and LOCATED AT 396,11TH AVE S.W. CAGARY ALBERTA, here referred to as the property.

B. Agent is experienced in the business of operating and managing real estate similar to the above-described property.

C. Owner desires to engage the services of agent to manage and operate the property, and agent desires to provide such services on the following terms and conditions.

In consideration of the mutual covenants contained herein, the parties agree:

1. EMPLOYMENT OF AGENT

Agent shall act as the exclusive agent of owner to manage, operate and maintain the property.

2. BEST EFFORTS OF AGENT

On assuming the management and operation of the property, agent shall thoroughly inspect the property and submit a written report to owner. The written report shall contain the opinion of agent concerning the present efficiency under which the property is being managed and operated, and recommended changes, if necessary, in the management structure of the property, in the rehabilitation of the property, and any other matters that will improve the efficient management and operation of the property. After conferring with owner and obtaining approval to make any necessary improvements, agent shall undertake completion of the improvements.

3. LEASING OF PROPERTY

Agent shall make reasonable efforts to lease available space of the property and shall be responsible for all negotiations with prospective tenants. Agent shall also have the right to execute and enter into, on behalf of owner, month-to-month tenancies of units of the property. Agent may negotiate all extensions and renewals of such month-to-month tenancies and leases. Agent shall not, without the prior written consent of owner, enter into any lease for a term less than [NUMBER] months or more than [NUMBER] months. Agent shall have the right to make concessions, including rental concessions, as inducements to prospective tenants to occupy the property.

4. ADVERTISING AND PROMOTION

Agent shall advertise vacancies by all reasonable and proper means; provided, agent shall not incur expenses for advertising in excess of \$ 2000 during any calendar quarter without the prior written consent of owner.

5. MAINTENANCE, REPAIRS AND OPERATIONS

Agent shall use its best efforts to insure that the property is maintained in an attractive condition and in a good state of repair. In this regard, agent shall use its best skills and efforts to serve the tenants of the property and shall purchase necessary supplies, make contracts for, or otherwise furnish, electricity, gas, fuel, water, telephone, window cleaning, refuse disposal, pest control, and any other utilities or services required for the operation of the property. Agent shall make or cause to be made and supervise necessary repairs and alterations and shall decorate and furnish the property. Expenditures for repairs, alterations, decorations or furnishings in excess of Two Thousand Dollars shall not be made without prior written consent of owner, except in the case of emergency, or if agent in good faith determines that such expenditures are necessary to protect the property from damage, to prevent injury to persons or loss of life, or to maintain services to tenants.

6. EMPLOYEES

6.1. Agent shall employ, discharge and supervise all on-site employees or contractors required for the efficient operation and maintenance of the property. All on-site personnel, except independent contractors and employees of independent contractors, shall be the employees of agent. Agent shall pay the salaries of such on-site employees and, to the extent there are revenues from the property available, pay all charges for services rendered by independent contractors and the employees of independent contractors.

6.2. All salaries (including all contributions of employer not listed in the paycheck) of such on-site employees shall be charged to owner. To the extent there are insufficient funds available from revenues received from the operation of the property to reimburse agent for such salaries, owner shall directly reimburse agent within [NUMBER] days after demand by agent for reimbursement. Agent shall not be responsible or liable to owner for any act, default or negligence of on-site personnel, or for any error of judgment or mistake of law or fact in connection with their employment, conduct or discharge except that agent shall be responsible for any such act, default or negligence that is due directly or indirectly to its own negligent act or omission in the hiring or supervision of any such on-site personnel.

6.3. On-site personnel shall include all resident personnel, including, but not limited to, managers and maintenance personnel, all recreational personnel (whether part-time or full-time), day-care

center personnel, and all other individuals located, rendering services or performing activities on the property in connection with its operation.

7. GOVERNMENT REGULATIONS

Agent shall manage the property in full compliance with all laws and regulations of any federal, state, county or municipal authority having jurisdiction over the property.

8. INSURANCE

8.1. Agent shall obtain the following insurance at the expense of owner, and such insurance shall be maintained in force during the full term of this agreement:

8.1.1. Comprehensive public liability property insurance of Two Million Dollar single limit for bodily injury, death and property damage;

8.1.2. Fire and extended coverage hazard insurance in an amount equal to the full replacement cost of the structure and other improvements situated on the property; and

8.2. All of the policies shall name agent and owner as co-insureds as their respective interests may appear. Agent shall deliver certificates evidencing such insurance coverage to owner within 28 days from the issuance and renewal of the policies. Owner shall cooperate with agent and any insurer in the making and delivery of all reports, notices, and other items required in connection with any of the insurance policies.

9. COLLECTION OF INCOME; INSTITUTION OF LEGAL ACTION

9.1. Agent shall use its best efforts to collect promptly all rents and other income issuing from the property when such amounts become due. It is understood that agent does not guarantee the collection of rents.

9.2. Agent shall, in the name of owner, execute and serve such notices and demands on delinquent tenants as agent may deem necessary or proper. Agent, in the name of owners, shall institute, settle or compromise any legal action and make use of such methods of legal process against a delinquent tenant or the property of a delinquent tenant as may be necessary to enforce the collection of rent or other sums due from the tenant, to enforce any covenants or conditions of any lease or month-to-month rental agreement, and to recover possession of any part of the property. No other form of legal action will be instituted and no settlement, compromise, or adjustment of any matters involved therein shall be made without the prior written consent of owner, except when agent determines that immediate action is necessary.

10. BANK ACCOUNTS

Agent shall deposit (either directly or in a depository bank for transmittal) all revenues from the property into the general property management trust fund of agent, here referred to as the trust account. Agent shall not commingle any of the above-described revenues with any funds or other property of agent. From the revenues deposited in the trust account, agent shall pay all items with respect to the property for which payment is provided in this agreement, including the compensation of agent and deposits to the reserve accounts as provided for in Section Eleven. After such payments agent shall remit any balance of any monthly revenues to owner concurrently with the delivery of the monthly report referred to in Section Twelve.

11. RESERVE ACCOUNT

- 11.1 Agent shall establish a reserve account for the following items: taxes, assessments, debt service, insurance premiums, repairs (other than normal maintenance), replacement of personal property, and refundable deposits. Agent shall use its best judgment in transferring adequate funds from the trust account to the reserve account in order to pay the above items without incurring late pay interest fees, cancellations or forfeitures. If the reserve account contains inadequate funds to pay any of the above items, agent must obtain approval from owner before paying the items directly from the trust account. If owner determines that the funds in the reserve account are excessive, owner shall direct that agent return such excess funds to the trust account. The reserve account shall be maintained in an interest-bearing savings account in a national or state bank that is a member of the Federal Deposit Insurance Corporation.
- 11.2 Anything in this agreement to the contrary notwithstanding, agent shall not be liable for any failure or bankruptcy of any bank used as a depository of any funds maintained in the reserve account.

12. RECORDS AND REPORTS

- 12.1 Agent will keep books, accounts and records that reflect all revenues and all expenditures incurred in connection with the management and operation of the property. The books, accounts and records shall be maintained at the principal place of business of agent. Agent shall, during regular business hours, make the books, accounts and records required to be maintained hereunder available to owner or the representatives of owner for examination and audit by appointment on no less than Five Business days' prior notice. All such audits shall be at the expense of owner.
- 12.2 Agent shall furnish owner, no later than the end of the next succeeding month, a detailed statement of all revenues and expenditures for each preceding month, a summary of all concessions and rental concessions given to induce prospective tenants to occupy the property, the original copy of all invoices, statements, purchase orders and billings received and paid during such preceding month, as well as such other information relating to the operation or management of the property that, in the opinion of agent, requires the attention of owner. Owner shall retain for safekeeping and store all original invoices, statements, purchase orders, billings and other documents delivered by agent with respect to the property. Owner, on payment of reasonable costs incurred by it, shall make available to agent copies of all or any portion of any invoice, statement, purchase order, billing report or other document received from agent with respect to the property.
- 12.3 Within ninety days after the end of each calendar year, agent shall prepare and deliver to owner a detailed statement of revenues received and expenditures incurred and paid during the calendar year that result from operations of the property. Within ninety days, following expiration or termination of this agreement, agent shall deliver to owner all books, accounts and records pertaining to the property.

13. COMPENSATION OF AGENT

Agent shall receive a management fee equal to [3%] of the gross receipts collected from the operation of the property. Gross receipts are defined as all revenues collected plus refundable deposits. Any management fee due agent hereunder shall be paid to agent within [07] days after the end of each month.

14. COMMISSIONS FOR NEGOTIATING LEASES OR MONTH-TO-MONTH RENTAL AGREEMENTS

Agent shall receive no commissions or additional compensation for negotiating leases or month-to-month rental agreements with tenants unless said tenant stays for a minimum of 90 days then market rates shall prevail.

15. OFFICE SPACE FOR AGENT

Owner shall allow agent to occupy the office numbered [NA], on the [NA] floor of the property, rent-free for the duration of this agreement. [ALL EXPENSES OTHER THAN RENT INCURRED BY AGENT IN THE OCCUPATION AND USE OF THIS OFFICE SPACE SHALL BE BORNE BY AGENT.]

16. ADDITIONAL DUTIES AND RIGHTS OF AGENT

In addition to the foregoing, agent shall perform all services that are necessary and proper for the operation and management of the property, and shall report to owner promptly any conditions concerning the property that, in the opinion of agent, require the attention of owner.

In order to properly perform the services required by this agreement, agent is authorized to engage, on behalf of owner, any entity that is an affiliate of agent, provided that the compensation paid for the services shall be competitive with nonaffiliated entities providing the same or similar services.

17. TERMINATION AND RENEWAL

This agreement shall be for a term commencing on JANUARY 1ST 2020, and ending on [DECEMBER 31ST 2021]. At the termination of this agreement, it shall be renewed automatically on a month-to-month basis that may be terminated by either party by giving not less than [90] days' notice in writing to the other party.

18. TERMINATION FOR CAUSE

If agent breaches any of the terms of this agreement, owner shall give agent written notice of such breach. If agent fails to remedy the breach within [60] days after receiving the above-described notice, owner may terminate this agreement.

19. SALE OF PROPERTY

On the voluntary sale of the property by owner and the delivery of the deed of conveyance therefor, this agreement shall automatically terminate. Owner shall notify agent of the sale of the property as soon as such sale is negotiated.

20. CONDEMNATION

This agreement shall terminate in the event of a total condemnation of the property. If there is a partial condemnation of the property, this agreement may be terminated at the option of owner. If such a partial condemnation of the property reduces the compensation of agent by more than 75% , agent may terminate this agreement. Owner shall be entitled to all consequential damages awarded as a result of any eminent domain proceeding.

21. NO PROPERTY INTEREST CREATED

Nothing contained in this agreement shall be deemed to create or shall be construed as creating in agent any property interest in or to the property.

22. LICENSING OF AGENT

Agent shall at all times during the term of this agreement maintain such licenses and permits as are required for any of the various services to be performed by agent on behalf of owner.

23. RELATIONSHIP OF THE PARTIES

Agent is an independent contractor and not an employee of owner for any purpose.

24. COVENANTS AND CONDITIONS

All of the terms and conditions of this agreement are expressly intended to be construed as covenants as well as conditions.

25. NOTICE

All notices, requests, demands or other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered in person, or within [14] days after deposited in the mail, postage prepaid, certified, with return receipt requested, or otherwise actually delivered to owner at

SUITE 300, 1324- 11TH AVE S.W. CALGARY ALBERTA T3C-0M6,

or to agent at

SAME AS ABOVE

Either party hereto may change the address at which it receives written notices by so notifying the other party hereto in writing.

26. PARTIES BOUND; ASSIGNMENT

This agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, and their respective successors and assigns; provided, however, that this agreement may not be assigned by agent without prior written consent of owner, or by owner without prior written consent of agent. Anything in the foregoing to the contrary notwithstanding, agent may, without the consent of owner, delegate the performance of (but not responsibility for) any duties and obligations of agent to any independent contractor or entity.

27. EFFECT OF PARTIAL INVALIDITY

Should any section or any part of any section of this agreement be rendered void, invalid or unenforceable for any reason by any court of law exercising competent jurisdiction, such a determination

shall not render void, invalid or unenforceable any other section or any part of any section in this agreement.

28. GOVERNING LAW

This agreement has been made and entered into in the Province of Alberta, and the laws of such state shall govern the validity and interpretation of this agreement and the performance due hereunder.

29. INTEGRATION

The drafting, execution and delivery of this agreement by the parties have been induced by no representations, statements, warranties or agreements other than those expressed in this agreement. This agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this agreement.

30. ARBITRATION

In case of any dispute regarding any terms or performance of the terms of this agreement, the dispute shall be subject to arbitration in accordance with the rules and regulations then obtaining under the Laws of Alberta.

31. ATTORNEY FEES

Should either party bring suit to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover court costs and reasonable attorney fees.

32. MODIFICATION

This agreement may not be modified unless such modification is in writing and signed by both parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Owner Safeguard IV

Authorized Signature

STEVE Burt G.P.
Print Name and Title

Agent 969801 Alberta c/a
Avenue Commercial

Authorized Signature

Debbie Paulin Property manager
Print Name and Title

This is **EXHIBIT "2"** referred to in the

Affidavit of

STEVEN PATRICK BUTT

Sworn before me this 26 day of November, 2020



A Commissioner for Oaths
in and for the Province of Alberta

Print Name: _____

My commission expires: _____

Carolynn C. Eastgaard
My Commission Expires
June 14, 20 21

MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this 14th day of June, A.D., 2020.

BETWEEN:

CONDOMINIUM CORPORATION PLAN NO. 0811241
(commonly known as "396-11th Avenue S.W., Calgary, Alberta.")
A Corporation duly constituted under the Condominium Property Act of Alberta
(herein called "The Corporation")

OF THE FIRST PART

-and-

969801 ALBERTA INC. O/A AVENUE COMMERCIAL
Suite 300, 1324-11th Avenue S.W., Calgary, Alberta T2C 0M6
(hereinafter called "The Manager")

OF THE SECOND PART

WHEREAS a complex of condominium units or dwellings and related facilities and common property associated herewith, located at 396-11th Avenue S.W., Calgary, Alberta (hereinafter called "The Condominium") has been constructed on those certain lands and premises described as:

Condominium Corporation No. 0811241
396-11 Avenue S.W., Calgary, Alberta
(hereinafter referred to as "The Said Lands");

AND WHEREAS The Corporation was created pursuant to the provisions of the Condominium Property Act of Alberta, as amended or any act passed in substitution or replacement thereof (hereinafter called the "Act").

AND WHEREAS The Corporation, under the provision of its Bylaws has the authority to engage a management agent on behalf of The Corporation to manage the Condominium Complex;

AND WHEREAS The Corporation desires to employ the Manager to manage the Condominium, and the Manager desires to be employed to manage the Condominium for the remuneration and SUBJECT TO the terms and conditions hereafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreement herein contained, it is agreed by and between the parties hereto as follows:

The Corporation hereby employs the Manager exclusively to manage the Condominium for the initial term, being two (2) years, from the commencement date of July 1, 2020 to the expiry date of May 31, 2022 and thereafter renewed for 1-year terms unless on or before ninety (90) days prior to the expiration of the initial term or any renewal term either party hereto shall notify the other in writing it elects to terminate this Agreement at the end of the said period subject to earlier termination as hereinafter provided.

The Manager agrees to manage the Condominium to the extent, for the period, and upon the terms and conditions herein provided.

1. The Manager agrees to perform the following services in the name of and on behalf of the Condominium Corporation and the Corporation hereby gives the Manager the authority and powers required to perform these services.
 - (a) The manager shall collect and, as necessary, all monthly assessment and contributions and other charges due to the Corporation for operation of the Condominium including any special levies, contingency and reserve funds included therein or relating thereto provided that the Manager shall have no responsibility for collection of delinquent assessments and contributions or other charges except sending notices of delinquency once a month unless otherwise authorized and directed by the Corporation. If authorized, the preparing, registering and discharging of caveats filed by the Manager on behalf of the Corporation pursuant to Section 39 of the Condominium Act of Alberta, shall be at the expense of the Corporation. The Manager and the Corporation may mutually agree to assess additional amounts against the defaulting owners in collecting the arrears. The Corporation hereby authorizes the Manager, as its agent, to charge interest on arrears of assessments of defaulting owners and represents that the By-Laws grant the Corporation the power to collect such interest. It is acknowledged by the Manager that subject to the direction of the Board of Directors, we will file caveats on those units whose condominium fees remain unpaid for a period equal to two (2) calendar months.
 - (b) The Manager shall maintain records showing all its receipts and expenditures relating to the Condominium and shall promptly submit to the Corporation, or its nominee, Operating Financial Statements for the preceding month and a statement indicating the balance in the Manager's account for the Condominium on or before the twenty-second (22nd) day of the following month.
 - (c) The Manager/or Board of Directors collectively shall prepare and submit to the Corporation or its nominee, on or before the first day of the month preceding the opening month of the next fiscal year, a recommended budget for the operation and management of the Condominium for the next fiscal year, showing anticipated receipts and expenditure for such year and assist the Corporation in determining the

appropriate amount of assessments or contributions to be paid by each owner of a unit for common and administrative expenses as required by the Act and the Bylaws of the Corporation and to recommend such revisions thereof as may from time to time be appropriate and to administer such funds on behalf of the Corporation. No action or purchases under the budget shall be undertaken until the budget (in original or modified form) is first approved by the Corporation.

- (d) At the request of the shareholders, after the end of each fiscal year, the Manager shall submit to the shareholders a summary of all receipts and expenditures relating to the Condominium for the applicable period, provided that these services shall not be construed to require the Manager to supply an audit. Any audit required by the Corporation shall be prepared at its expense by accountants of its selection.

The Manager agrees to supply the shareholders, in addition to the statements of receipts and disbursements hereinbefore referred to, an annual recap by month of total receipts and disbursements for the previous twelve (12) month period.

- (e) Subject to the provisions of any restrictions contained in the By-laws the Manager shall cause the common property of the Condominium to be maintained according to appropriate standards of maintenance consistent with the character, age, size and location of the Condominium.
- (f) The Manager agrees to inspect the common property on a weekly basis and complete repairs, light replacements, etc. as required.
- (g) In the event the Corporation requires a planned program of rehabilitation or restoration of part or all of the common property and the Manager is expected to coordinate and/or supervise such program, the Corporation acknowledges that a separate fee may be charged by the Manager, such fee to be 10% of total cost plus GST of the rehabilitation or restoration work required. This to be agreed upon prior to any commencement of such program.
- (h) The Manager shall make every effort to ensure that no claim or lien shall be filed in respect of any work which may be carried out on behalf of the Corporation against title to the said lands or any units or the common property and if a claim or lien shall be filed in respect of such work it shall forthwith take all necessary steps to have the same removed and discharged
- (i) The Manager shall execute and file all returns and other instruments and do and perform all acts required of the Corporation as an employer in respect of unemployment insurance contributions and deductions, Canada Pension Plan contributions and payments and the Canada Income Tax Act and any other contributions or payments required under any social, labour or tax legislation in force from time to time (and in connection therewith the Corporation agrees, upon request, to execute and deliver promptly to the Manager all necessary powers of attorney, notices of appointment and like approvals or directions).

- (j) Subject to the direction of the Corporation, the Manager shall negotiate and execute on behalf of the Corporation contracts for water, electricity, gas, and such other services for that portion(s) of the Condominium constituting common property as may be necessary or desirable (but not any individually metered units). The Manager shall also purchase on behalf of the Corporation such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Condominium. All such purchases and contracts shall be in the name and at the expense of the Corporation. The Manager shall not collect or charge any undisclosed fee, rebate or discount and if any should be received by the Manager the same will be held for and credited to the account of the Corporation and the Manager shall credit the Corporation with any discounts, commissions or rebates obtainable as a result of purchases made on behalf of the Corporation in pursuance of the Agreement.
- (k) The Manager shall pay from the funds it receives from the Corporation all taxes payable by the Corporation, all applicable building and insurance premiums on policies of the Corporation, water rates and other municipal or governmental charges, and all other charges or obligations incurred by the Corporation with respect to the maintenance or operation of the Condominium or incurred by the Manager on behalf of the Corporation pursuant to the terms of this Agreement or pursuant to other authority by the Corporation.
- (l) The Manager shall maintain appropriate records of and shall assist and make recommendations in the placement of all insurance coverage required to be carried by the Corporation pursuant to the Act or By-laws. The Manager, through the insurance agency selected to place insurance on behalf of the Corporation, agrees to advise the Corporation of the nature and extent of the insurance coverage required to be carried by the Corporation.

It is understood and agreed that the placement of any insurance on behalf of the Corporation by the Manager shall only be upon written instructions from the Corporation to the Manager. Except in the instance where the Manager is reckless or grossly negligent, the Manager will be held harmless in the event of any claim, suit or charge by any person whatsoever with regard to claims for damage relating to the ownership, operation and maintenance of the common property of the Condominium including any damage or destruction thereto.

- (m) The Manager shall use reasonable efforts in the coordinating of schedules for purchasers and other occupants of Condominium units for moving in their personal effects in or out of the Building.
- (n) The Manager shall keep the Corporation and all owners of units advised of the telephone number or numbers at which an agent or representative of the Manager may be reached at any time during normal business hours in respect of any breach or violation of the By-laws or of any rules and regulations for the time being in force of

the Corporation. The Manager shall also keep the Corporation advised of the telephone number at which his representative can be reached at other than normal business hours in the event of an emergency. The Manager shall forthwith report to the Corporation any major emergency or any persistent, flagrant or serious violation which might reasonably be expected to be brought to the attention of the Corporation and vice versa. It is understood and agreed by the parties hereto that the Manager shall in its discretion determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature. The Manager shall deal promptly with such infractions and deal immediately with any emergency arising in connection with the maintenance and operations of the common property which is determined as such by the Manager.

- (o) The Manager shall, based upon the information and documents made available to it, attempt to keep an up-dated record of the names and addresses of all unit owners and any lessee thereof which it has knowledge of.
- (p) The Manager, on behalf of the Corporation, shall on the application of a Unit Owner or any person authorized in writing by him provide estoppel certificates as anticipated by Section 39(6) of the Act. Similarly, upon the written request of an owner, purchaser or mortgagee of a Unit, the Manager on behalf of the Corporation, shall within ten (10) days of receiving that request, provide to the person making the request all or any of the statements required. The Manager shall as authorized in the By-laws, be entitled to collect from and charge the requesting party, for its own account, a reasonable fee to compensate it for the expenses it incurs in producing and providing the materials referred to herein on behalf of the Corporation.
- (q) The Manager, at the direction of the Corporation, agrees to register at the Land Titles Office any change in the Board of Directors of the Corporation in the forms required by the Act and the regulations passed pursuant thereto and to comply with any reasonable request for the names and addresses of the persons who are members of the Board of Directors.
- (r) The Manager shall assist, advise and cooperate with the Corporation in providing any documents requested by governmental authorities having jurisdiction in that regard.
- (s) The Corporation and the Manager shall periodically consult with each other with a view to revising the By-laws and any rules and regulations to further the harmonious and satisfactory operation of the Condominium for the common benefit of all unit owners. At the request and cost of the Corporation, the Manager agrees to forward to the unit owners copies of any revised By-laws, rules and regulations with a covering explanatory letter of memorandum.
- (t) Subject to the direction of The Corporation and at the expense of the Corporation, the Manager agrees to:

- (i) Commence and prosecute proceedings to enforce the By-laws pursuant to Section 32 of the Act;
- (ii) Impose and collect deposits under Section 53 (3) of the Act, give notice to give up possession of units under Section 54 of the Act and make application to the Court under Section 55.

The Corporation shall pay to the Manager seventy-five (\$75.00) Dollars per hour plus costs and expense reasonably incurred for the time the Manager spent in court on behalf of the Corporation pursuant to the above paragraph.

- (u) Subject to the direction of the Corporation, the Manager, on behalf of the Corporation agrees to account for deposits pursuant to Section 53 (3) , (4) and (7) of the Act. The Corporation agrees to pay the Manager a reasonable fee to compensate it for the expenses it incurs in producing and providing the cheques and the accounting services referred to herein on behalf of the Corporation. The fee contemplated herein is **limited** to the cost of the cheque stock produced by the Manager and any service costs levied by the Bank in the operation of the trust accounts of the Corporation.
 - (v) The Manager shall not be responsible for failure to have performed any of the above services caused by strikes, unavoidable casualties or for any cause beyond the control of the Manager.
 - (w) The Manager shall charge a fee for providing services of our Building Operators, to the extent necessary to have a part time senior building operator and a part time class five (5) or if possible four (4) building operator assigned to the property at an estimated cost in the amount of Six Thousand dollars (\$6,000.00) for each month during normal business hours Monday to Friday, plus benefits payable to this person by the Manager. If overtime is required (before 7 a.m. and after 5 p.m. daily and/or anytime on weekends) the Corporation will be charged \$85.00 for each hour plus travel time plus GST after normal business hours.
1. In discharging its responsibilities under paragraph 3 hereof, the Manager shall not make any single expenditure which is not included in the Budget for the property nor incur any non-recurring contractual obligation exceeding Two Thousand (\$3,000.00) dollars without the prior written consent of the Corporation UNLESS such expenditure or obligation is provided for in the current budget of the Condominium provided that no such consent shall be required to pay any advances made by the Manager under the terms of paragraph. Notwithstanding the limitations imposed by the preceding sentence, the Manager may, on behalf of the Corporation without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Condominium or its owners and occupants or may threaten the suspension of any necessary service to the Condominium.

2. Notwithstanding any other provision of the Agreement, the Manager is given no authority or responsibility for maintenance of or repairs to individual dwelling units or their privacy areas, in the Condominium that do not form part of the common property. Such maintenance and repairs shall be the sole responsibility of the owners individually, or any Rental Pool Agreement agreed upon. Nevertheless, if individual commercial condominium units require maintenance and repairs the Manager would be prepared to help with such repairs at the expense of the Owner of the condominium unit.
3. (a) The Manager agrees that all monies collected by it on behalf of the Corporation shall be deposited and kept in an account (separate from the Manger's personal account) in a Canadian Chartered Bank or Trust Company. Funds surplus to the current requirements of the Corporation shall from time to time be deposited in interest-bearing term deposits with such bank or trust company. The Manager agrees to advise the Corporation of the interest being earned on all term deposits and/or savings accounts.

(b) All expenses of operation and management may be paid from the funds received from the Corporation and held by the Manager; the manager is authorized to pay any amount owed to the Manager by the Corporation from such account at any time without prior notice to the Corporation. The Manager shall have no obligation to advance funds to the Corporation for any purpose whatsoever.

(c) The Manager agrees that all its employees who handle or are responsible for the safekeeping of any monies of the Corporation shall be covered by insurance protecting the Corporation.
4. (a) The Corporation shall pay to the Manager as compensation to it for the services rendered by the Manager in accordance with this Agreement the sum of **Five Thousand Five Hundred Dollars (\$5,500.00) each month plus GST** to be paid on the first day of each and every month during the term of this Agreement which will be deducted from the monthly revenue collected. All postage envelopes, stamps and copying of documents will be charged back to the Condominium Corporation.

(b) Future renewals of the management agreement fee will be deemed to be approved as outlined in the Annual Budget.
5. The Manager or an officer or employee thereof shall, be available to attend meetings of the Board of the Corporation during business days of Monday through Thursday, not to exceed six (6) two-hour meetings per annum. The Manager also agrees to be available and attend the Annual General Meeting of the Corporation.

6. (a) The Manager shall keep copies of the official records of the Board of the Corporation, but shall not be required to record the minutes of the meetings. The Board shall keep all official records in a safe place. Minutes of the Board meetings will be taken by a Board member designated to do so.
7. The Board of the Corporation shall, from time to time, designate a single individual who shall be authorized to deal with the Manager on any matter relating to the management of the Condominium. In the absence of any other designation by the Corporation the President of the Board shall have this authority.
8. (a) The Manager shall have no authority without express direction to the contrary, to make any physical or structural changes in the Condominium or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Condominium or the safety of the owners and occupants or are required to avoid the suspension of any necessary services to the Condominium.

(b) The Manager is given no responsibility for compliance by the Corporation or by any of the owners, in respect of any ordinances, laws, rules or regulations and whether municipal, provincial, federal or made by any public authority or official thereof having jurisdiction over it, except to notify the Corporation promptly, or forward to the Corporation promptly, any orders, complaints, warnings, notices, summonses or like documents received by it relating to such matters. The Corporation represents that, to the best of its knowledge, the Condominium Corporation complies with all such requirements and agrees to indemnify and hold harmless the Manager, its agents, servants, and employees and from all loss, cost, damage, expense or liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules and regulations, except where unlawfully or negligently omitted or violated by the Manager or any of its agents, servants or employees.
9. At all times the Manager shall act in the best interest of the Corporation and in so acting, the Manager shall not be influenced to the detriment of the Corporation by reason of any financial or other relationship it may have with any other person, firm or corporation. All information on the development, management or disposal of the Condominium, or of any units or parts thereof, and of the Corporation whether financial or otherwise, shall be treated and forever held confidentially, and this provision shall survive any termination of this Agreement.

10. The Corporation further agrees:

- (a) Save and except where there is insurance coverage as set forth herein, to indemnify and save the Manager harmless from and against all claims, demands, actions, causes of actions and suits in connection with the Condominium and from liability for damage to property and injuries or to whomsoever and to carry at its own expense public liability and property damage insurance naming the Corporation and the Manager as insureds, which insurance shall be in form, substance and in amounts satisfactory to the Manager and the Corporation and to furnish to the Manager certificates evidencing the existence of such insurance upon request. Insurance coverage which complies with the Act and the By-laws shall be deemed to be satisfactory insurance.
 - (b) To pay all expenses incurred by the Manager including without limitation, legal fees and disbursements on a solicitor/client basis for counsel employed to represent the Manager or the Corporation or any one of them, of any provision, statute, ordinance, law or regulation including without restricting the generality of the foregoing, a law relating to environmental protection, fair housing or fair employment (unless in either case the Manager is finally adjudicated to have personally and not in a representative capacity violated such provision, statute, ordinance, law or regulation), but nothing herein contained shall require the Manager to employ counsel to represent the Corporation in any such proceeding or suit.
 - (c) To provide the Manager with all documents and records available to the Corporation which may be required by the Manager to properly manage and operate the Condominium and to perform its duties hereunder. The Manager acknowledges that it has received and is aware of the provisions of the By-laws of the Corporation and this Act.
 - (d) To provide the Manager with a registered copy of the By-laws of the Corporation and to notify the Manager from time to time of any amendments thereto.
11. (a) The Corporation and the Manager shall abide by the Act, or any legislation passed in substitution thereof or replacement thereof, and By-laws of the Corporation as amended from time to time, and each acknowledges and agrees that this Agreement is subject to the provisions of the Act and the By-laws insofar as they are applicable to this Agreement and in the event of any conflict between the Act or the By-laws and any provision in this Agreement, the Act shall prevail. The Manager agrees that it will perform its duties and obligations in a manner consistent with the Bylaws of the Corporation.

12. Notwithstanding the other provisions hereof, this Agreement shall terminate upon any of the following events:
- (a) The insolvency or bankruptcy of the Manager or upon the Manager taking any steps to wind up its business voluntarily or otherwise.
 - (b) On the termination of the condominium status of any building within the Condominium Corporation as it presently exists or as it may be amended.
 - (c) If the Manager is insubordinate, reckless or grossly negligent in performing its duties hereunder.
13. In the event of any complaint, defect, failure or omission on the part of the Manager (save and except those set forth in Clause 16 hereof) or the Corporation, either party may give the other sixty (60) days notice to cure such complaint, defect, failure or omission, and should the same not be cured or dealt with to the reasonable satisfaction of the original party within such time, then upon written notice given by the original party to the other party, this Agreement shall terminate on the last day of the month during which such notice was given.
15. Upon termination of this Agreement:
- (a) The Manager shall, as soon as possible and in any event within sixty (60) days thereafter, render a final accounting to the Corporation and pay over any balance in the Manager's account remaining to the credit of the Corporation less any amounts necessary to satisfy commitments made by the Manager to others prior to the date of termination.
 - (b) The Manager, within sixty (60) days thereafter, deliver to the Corporation all contracts, records, files and other documents or information subsequent to termination of the Agreement.
16. (a) Any notice or demand required or permitted herein shall, unless otherwise provided or implied, be effected by sending the same in a postage prepaid envelope by ordinary mail, addressed to the Manager as follows:

**Avenue Commercial
300, 1324-11th Avenue S.W.
Calgary, Alberta T3C 0M6
Attention: Debbie Poulin**

Or to the Condominium Corporation:

Condominium Corporation Plan No. 0811241
c/o Suite 300, 1324-11 Avenue S.W.
Calgary, AB. T3C 0M5

Such party may change its address for notice by sending notice to each of the other above named parties in the manner herein described.

17. THIS AGREEMENT shall be binding upon the parties hereto and their respective successors and assigns.
18. IN WITNESS WHEREOF the parties hereby have caused these presents to be executed under their respective corporate seals as of the day and year first above written.

CONDOMINIUM CORPORATION PLAN NO. 0811241

Per: 
Board of Directors

969801 ALBERTA INC. O/A AVENUE COMMERCIAL

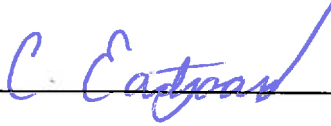
Per: 
Property Manager Debbie Poulin
On Behalf of Avenue Commercial

This is **EXHIBIT "3"** referred to in the

Affidavit of

STEVEN PATRICK BUTT

Sworn before me this 26 day of November, 2020



A Commissioner for Oaths
in and for the Province of Alberta

Print Name: _____

My commission expires: _____

Carolynn C. Eastgaard
My Commission Expires
June 14, 20 21

From: Blair Yorke-Slader
Sent: Friday, September 4, 2020 4:42 PM
To: Mr. Grant W. D. Cameron <cameron@cclawyers.com>
Cc: Mr. Steven P. Butt <sbutt@avenuecommercial.ca>
Subject: RE: CEP Condo Fee Arrears

Grant, please advise on Tuesday morning when the condo fees will be paid.

And can you please give us an update on the payments received from the tenants? Without it the Landlord is hard pressed to know who, if anyone, is in arrears and by how much.

Thanks,



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. [403 298 3291](tel:4032983291) | F. [403 265 7219](tel:4032657219)
E. yorkesladerb@bennettjones.com
BennettJones.com

From: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Sent: Wednesday, September 2, 2020 7:12 PM
To: Mr. Grant W. D. Cameron <cameron@cclawyers.com>
Cc: Mr. Steven P. Butt <sbutt@avenuecommercial.ca>
Subject: FW: CEP Condo Fee Arrears

Grant, please advise.

Blair C. Yorke-Slader QC

Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3291 | F. 403 265 7219

E.yorkesladerb@bennettjones.com

From: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Sent: Aug 31, 2020 4:49 PM
To: "Grant W.D. Cameron" <Cameron@carscallen.com>
Cc: 'Steven Butt' <SButt@avenuecommercial.ca>
Subject: RE: CEP Condo Fee Arrears

Grant, another month has passed. Please advise what's happening on this.

Best regards,



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3291 | F. 403 265 7219
E. yorkesladerb@bennettjones.com
BennettJones.com

From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Monday, August 24, 2020 11:10 AM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Subject: RE: CEP Condo Fee Arrears

Blair: I have been away from the office, returning tomorrow. I will contact CFCU to get an update.

Grant W.D. Cameron
Barrister & Solicitor
Carscallen LLP

Centrium Place

900, 332 6 Avenue SW
Calgary, Alberta T2P 0B2
Phone: (403) 298-8446
Fax: (403) 262-2952
Email:
Cameron@carscallen.com

Website: www.carscallen.com

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From: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Sent: Tuesday, August 18, 2020 8:55 AM
To: Grant W.D. Cameron <Cameron@carscallen.com>
Cc: Steven Butt <SButt@avenuecommercial.ca>
Subject: RE: CEP Condo Fee Arrears

Grant, may I please hear from you on this?



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3291 | F. 403 265 7219
E. yorkesladerb@bennettjones.com
BennettJones.com

From: Blair Yorke-Slader
Sent: Wednesday, August 12, 2020 2:04 PM
To: 'Grant W.D. Cameron' <Cameron@carscallen.com>
Cc: 'Steven Butt' <SButt@avenuecommercial.ca>
Subject: RE: CEP Condo Fee Arrears

Grant, please advise status. I'm told that payment still hasn't been made.



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3291 | F. 403 265 7219
E. yorkesladerb@bennettjones.com
BennettJones.com

From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Monday, July 27, 2020 12:01 PM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Subject: RE: CEP Condo Fee Arrears

Thanks.

Grant W.D. Cameron
Barrister & Solicitor
Carscallen LLP
900, 332 6 Avenue SW
Calgary, Alberta T2P 0B2
Phone: (403) 298-8446
Fax: (403) 262-2952
Email: <mailto:Cameron@carscallen.com>

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From: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Sent: Monday, July 27, 2020 12:00 PM
To: Grant W.D. Cameron <Cameron@carscallen.com>
Cc: Steven Butt <SButt@avenuecommercial.ca>
Subject: CEP Condo Fee Arrears

Grant, here's a breakdown of the arrears by unit and month. If you need anything else, please let me know.

Best,

Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7 T. 403 298 3291 | F. 403 265 7219 E. yorkesladerb@bennettjones.com

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[3A_www.bennettjones.com_COVID-2D19&d=DwIFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_Cdp gnVfiiMM&r=qzpzXM4-u0i-epMRRJ7bHiJt5XGVqYPO8VLvQEBnyzM&m=8BEqISb1HmEXKPYfB0GP1uJZomRK0m58k-AP22X8xBk&s=TJxEi3HFBqHlh-4DNLYIdyntliHnyVmPSbeayRtQENc&e=\)](http://www.bennettjones.com_COVID-2D19&d=DwIFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_Cdp gnVfiiMM&r=qzpzXM4-u0i-epMRRJ7bHiJt5XGVqYPO8VLvQEBnyzM&m=8BEqISb1HmEXKPYfB0GP1uJZomRK0m58k-AP22X8xBk&s=TJxEi3HFBqHlh-4DNLYIdyntliHnyVmPSbeayRtQENc&e=)) for timely legal updates.

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From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Sunday, July 26, 2020 9:53 AM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Subject: RE: CEP Condo

Thanks. Again, I am going to need it on a per unit basis, as you previously provided, so that we can get ready to remit the payments. Thanks. Grant.

Grant W.D. Cameron
Barrister & Solicitor
Carscallen LLP
900, 332 6 Avenue SW
Calgary, Alberta T2P 0B2
Phone: (403) 298-8446
Fax: (403) 262-2952
Email: <mailto:Cameron@carscallen.com>

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-----Original Message-----

From: Blair Yorke-Slader
Sent: Friday, July 24, 2020 8:08 AM
To: Grant W.D. Cameron
Cc: Steven Butt
Subject: CEP Condo

Grant, as requested here's the condo fee arrears statement to July.

Best regards,

Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7 T. 403 298 3291 | F. 403 265 7219 E. yorkesladerb@bennettjones.com

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From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Sunday, May 31, 2020 4:16 PM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Cc: Kunle Popoola (kpopoola@connectfirstcu.com) <kpopoola@connectfirstcu.com>
Subject: RE: Connect First v CEP

Thanks Blair. Is the management company able to send me a statement referencing the arrears? I will then review the same with CFCU. Thanks. Grant.

From: Blair Yorke-Slader
Sent: Friday, May 29, 2020 5:01 PM
To: Grant W.D. Cameron
Cc: Steven Butt
Subject: RE: Connect First v CEP

Grant, I'm told that the condo fees on the unsold units will be 4 months in arrears next week. Obviously the condo corp will take action to recover them, along with a bunch of fees. We communicated about this in February, but at that point the units were current. CF, however, is now scooping all the rents so CEP has no funds with which to pay them. Will CF now pay them before we all face additional costs, either through the GP or directly ?

Happy to discuss,



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

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E. yorkesladerb@bennettjones.com
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From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Wednesday, May 27, 2020 4:48 PM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Subject: RE: Connect First v CEP

Thanks Blair.

From: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Sent: Wednesday, May 27, 2020 3:18 PM
To: Grant W.D. Cameron <Cameron@carscallen.com>
Cc: Steven Butt <SButt@avenuecommercial.ca>; Sonya Lawrence <LawrenceS@bennettjones.com>
Subject: Connect First v CEP

Grant, pursuant to your letter of yesterday I attach your draft Order, duly consented to. I look forward to receiving a filed copy.

Best regards and stay safe,



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

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From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Thursday, February 6, 2020 11:57 AM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Cc: Steven Butt <SButt@avenuecommercial.ca>; Kunle Popoola (kpopoola@connectfirstcu.com) <kpopoola@connectfirstcu.com>
Subject: RE: CEP/Connect First

Blair: As I understand it, taxes were not being paid in any event. We paid \$28,000 at closing to the City of Calgary when selling Units 1 and 2 to address the outstanding real property taxes. As Units are sold, we will continue to do that, as is required under the terms of the Order Confirming Sale and Vesting Title. In terms of condo fees, those have been in good standing to date. If payments are ceasing, then I will review the issue with CFCU as to whether condo fees will be attended to, in the interim. Of course, any condo fee or assessment arrears will also be paid when closing any sale transaction on a priority basis, as directed by the Order.

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From: Blair Yorke-Slader [mailto:YorkesladerB@bennettjones.com]
Sent: Wednesday, February 5, 2020 5:22 PM
To: Grant W.D. Cameron
Cc: Steven Butt
Subject: RE: CEP/Connect First

Grant, is CF going to make some arrangement to permit these to be paid ? If it's going to scoop all the revenue, there's nothing from which to pay these rather vital expenses.

Happy to discuss,

Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP



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E. yorkesladerb@bennettjones.com
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From: Blair Yorke-Slader
Sent: Friday, December 20, 2019 11:22 AM
To: 'Grant W.D. Cameron'
Cc: Steven Butt
Subject: RE: CEP/Connect First

Grant, I learned today that Connect First has swept the CEP bank account, leaving the General Partner with no funds to pay property taxes or condo fees. Please advise when/how Connect First intends to pay these, through the GP or otherwise.

Best,



Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

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E. yorkesladerb@bennettjones.com
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From: Grant W.D. Cameron <Cameron@carscallen.com>
Sent: Tuesday, December 3, 2019 4:07 PM
To: Blair Yorke-Slader <YorkesladerB@bennettjones.com>
Cc: Kunle Popoola (kpopoola@connectfirstcu.com) <kpopoola@connectfirstcu.com>
Subject: RE: CEP/Connect First

Blair: Thanks for your email. I apologize for the delay - I was in Court most of last week, and at meetings out of the office yesterday. First of all, your clients executed Assignments of Rents and Leases to secure CFCU. There is nothing improper about enforcing our security. To date, we have been patient. However, our client is growing increasingly anxious, given the challenges with selling the units, downward pressure on values, and given that priority payables are not being paid by the mortgagors. Specifically, the taxes are not being paid, and interest and penalties are accruing, to the prejudice of CFCU. The taxes and penalties on Units 1 and 2 are presently outstanding in the amount of \$28,405.95. This amount will need to be paid upon closing, prior to any funds being paid to CFCU as mortgagee. Likewise, taxes and penalties are owing on Unit 43 (Spyglass Equities) in the amount of \$21,415.92. These amounts obviously prejudice the position of CFCU as first mortgagee. I have not reviewed all Units and all tax reports, but I expect that taxes are owing on all Units secured in favour of CFCU. So, we were instructed to issue demands under the Assignments of Rents and Leases. They were only issued to Michael Oykhman PC, Spyglass and SMPS. We did not issue the demands to Subway or Quesada. Only Oykhman appears to have complied, so we may need to proceed with a Receiver of Rents Order to enforce compliance against the defaulting tenants. In any event, CFCU has been very cooperative with these matters to date, but as circumstances worsen, and we become exposed to a potential loss position, alternative steps need to be taken - and those steps are only consistent with the security that was provided to our client in the first instance. If your clients intend to pay the taxes and other priority payables, perhaps the enforcement against the rents can be reconsidered. Happy to discuss, at your convenience. Grant.

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-----Original Message-----

From: Blair Yorke-Slader [<mailto:YorkesladerB@bennettjones.com>]
Sent: Monday, November 25, 2019 5:37 PM
To: Grant W.D. Cameron
Cc: Steven Butt
Subject: CEP/Connect First

Grant, today we received a copy of the attached letter from your office to the indicated CEP tenant.

We discussed this issue a couple of weeks ago (but certainly since October 30, assuming the date on the letter is correct), in the context of the Starbucks departure. If Connect First is going to scoop the little remaining rent, then we may need it to cover the operating costs and condo fees. The general partner has no other source of LP funds. I thought that we understood each other. Please clarify.

Best regards,

Blair C. Yorke-Slader QC
Vice-Chair, Partner, Bennett Jones LLP

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