



**COURT FILE NUMBER** 1903-04121  
**COURT** COURT OF QUEEN'S BENCH OF ALBERTA  
**JUDICIAL CENTRE** EDMONTON

**IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C T-8 SECTIONS 43 AND 46**

**APPLICANTS** WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE MUNIR VIRANI AND MARNIE KIEL

**RESPONDENTS** WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION, WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION, CANADIAN PROPERTY DIRECT CORPORATION, WESTPOINT MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD., 1897837 ALBERTA LTD.

**DOCUMENT** SECOND REPORT TO THE COURT OF BDO CANADA LIMITED IN ITS CAPACITY AS RECEIVER OF WESTPOINT CAPITAL CORPORATION ET AL

**DATED JUNE 11, 2019**

**RECEIVER**

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**List of Exhibits**

1. Receivership Order dated April 10, 2019
2. Consent Amending and Receivership Order dated May 30, 2019
3. Notice and Statement of the Receiver, dated April 12, 2019
4. Receiver's Statement of Receipts and Disbursements for the period  
March 8, 2019 to June 7, 2019
5. Partial Discharge of Mortgage documents sent to Land Titles
6. Joint Venture Agreement on 240 Shadow Mountain Boulevard, B.C.
7. Option to Purchase Agreement

## Introduction

1. On March 8, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Order") appointing BDO Canada Limited as an Interim Receiver ("BDO" or the "Interim Receiver") in respect of Westpoint Capital Corporation ("WCC"), Westpoint Capital Management Corporation ("WCMC"), Westpoint Capital Services Corporation ("WCSC"), Westpoint Syndicated Mortgage Corporation ("WSMC"), Canadian Property Direct Corporation ("CPDC"), Westpoint Master Limited Partnership ("WMLP"), River's Crossing Ltd. ("RCL"), 1897869 Alberta, Ltd. ("869"), 1780384 Alberta Ltd. ("178"), 1897837 Alberta Ltd. ("837"), (collectively the "Companies").
2. On April 10, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Receivership Order") appointing BDO Canada Limited as Receiver ("BDO" or the "Receiver") of the Companies. A copy of the Order is attached as **Exhibit 1**.
3. On May 30, 2019, the Court of Queen's Bench of Alberta (the "Court") granted a further Order, consented to by the sole director of The Village at Paldi Ent. Ltd. ("Paldi") amending the Receivership Order to add Paldi as a party Respondent in these proceedings, and to extend the terms of the Receivership Order to include Paldi as a party in receivership. A copy of the Order is attached as **Exhibit 2**.
4. The purpose of this report (the "First Report") is to provide this Honourable Court with:
  - a) A summary of the Receiver activities to date;
  - b) A Statement of Receipts and Disbursements for the period March 8, 2019 to June 10, 2019;
  - c) A summary of the assets of the Companies; and
  - d) A summary of the ongoing Litigation matters.

5. The Receiver is seeking:

- a) This court's approval for the sale of the Paldi Property;
- b) Approval of the sale of the Drumheller home, as will be described below in detail;
- c) Approval for the sale of 112 Purcell Place, Cranbrook, B.C.;
- d) An Order amending the Receivership Order to permit the Receiver to sell individual lots of the Drumheller property, Wandering River residential lots, and River's Crossing residential lots without court approval; and
- e) An Order directing Land Titles to accept discharges of mortgages entered into by any of the companies in receivership, signed by the Receiver and to process such discharges in accordance with their terms.

### **Limitation of Report**

6. The information contained in the Receiver's Second Report has been obtained from the records of the Company, publicly available information, including an Affidavit sworn by Munir Virani on February 25, 2019 which was filed in these proceedings on February 26, 2019 (the "Munir Affidavit"), and/or based upon discussions with and representations made by the Company's management and other professional advisors retained in this matter. The information relied upon by the Receiver was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has any financial information referenced necessarily been prepared in accordance with generally accepted accounting principles, and the reader is cautioned that this report may not disclose all significant matters about the Company. Accordingly, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Second Report.
7. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of circulation, publication, reproduction, or use of the Receiver's Second Report. Any use that any party makes of this Second Report or reliance on or decisions to be made based on its responsibility of such party.
8. A copy of the Receiver's Second Report and other relevant documents in the interim receivership proceedings are available on the Interim Receiver's website at <http://www.extranets.bdo.ca/WCC ET. AL>.

### **Background**

9. WIT was established by way of a Declaration of Trust dated June 1, 2015. The Declaration of Trust was amended and restated by an agreement on September 3, 2015 and made effective June 30, 2015. The Trust is a mutual fund trust with the purpose of investing in mortgage and real estate assets.

10. Prior to WIT being established, the assets of the Trust were part of two (2) Mortgage Investment Corporations (“MICs”). The MICs held assets in British Columbia and Alberta and these assets were primarily mortgages.
11. WCC provided mortgage administration, capital raising and mortgage brokerage services to the MICs. Another corporation, WCSC provided business support services, staffing and office space to the MICs.
12. The Trust, WCC and the MICs entered into the Arrangement Agreement whereby:
  - a) The MIC's affairs were rearranged; and
  - b) The MICs assets were consolidated into the Trust by way of MIC shareholders exchanging their shares in exchange for units of the Trust, (the “Arrangement”).
13. The main reason for the Arrangement was there were income tax concerns arising from the MICs' interest in real estate assets as a result of foreclosure actions. Investors in the MICs received information circulars in support of the Arrangement.
14. On July 14, 2015, the Arrangement was approved by way of a Court Order granted by this Honourable Court.
15. WIT holds a beneficial interest in assets comprising mostly mortgages and some real estate holdings, which are held by various Companies in trust for WIT.
16. The foregoing is intended as a very brief overview. More detail of the foregoing is contained in the Munir Affidavit filed in these proceedings, a copy of which can be found on the website established by BDO as set out above.

### **Receiver's Initial Activities**

17. Upon the Receiver's appointment or shortly thereafter, the Receiver took the following actions to protect the interests of the estate:
  - a) Redirected all the Companies' incoming mail to the Receiver's office;
  - b) Made arrangements to have the properties appraised;
  - c) Attempted to contact the multiple known legal counsel on the ongoing litigation matters and requested information regarding these matters;
  - d) Discussed with various legal counsels the current ongoing litigation matters;
  - e) Contacted the insurance companies for the Companies and were added as loss payees;
  - f) Obtained a backup of the Companies server;
  - g) Obtained the electronic accounting records for the Companies;
  - h) Made arrangements to obtain interim financing;
  - i) Made arrangements for incoming mortgage payments and rental payments to be deposited into the Receiver's account;
  - j) Sent letters to the various banks of the Companies to freeze the accounts and forward all funds to the Receiver;
  - k) Issued to the creditors by ordinary mail the required Notice and Statement of Receiver to Creditors, attached as **Exhibit 3**; and
  - l) Uploaded documents to the following website for public viewing:  
<http://www.extranets.bdo.ca/WCC ET. AL>.



### **Receiver's Statement of Receipts and Disbursements**

18. Attached as **Exhibit 4** is a copy of the Receiver's Statement of Receipts and Disbursements for the Companies. As of June 7, 2019, the Receiver has available to it a total of \$214,825.
19. Based on discussions with Management of WCC, WCC holds funds for various parties, the Receiver is still in the process of determining if these funds are restricted, trust funds or they belong to the Receivership.

### **Assets of the Companies**

20. The Companies have three main categories of assets. The majority of the assets are mortgages, and interests in various properties deriving from mortgage enforcement proceedings. There are also numerous lawsuits that have been initiated by WCC, which are not assets per se but could result in generating proceeds if successful. These assets are discussed in detail below.

### **Mortgages**

#### **Mortgage – Calgary, AB**

21. The civic address for the Calgary property is 42 Auburn Sound Landing SE, Calgary, AB (legally described as Lot 58, Block 4, Plan 0612118).
22. WCC holds a second mortgage on the above property. The Receiver is currently in the process of drafting a new mortgage agreement with the borrower, as the mortgage has expired. The borrower has continued to make payments on a timely basis.

#### **Mortgage – Beaumont, AB**

23. The civic address for this property is 5222-58 Street, Beaumont, AB (which is legally described as Lot 17, Block 9, Plan 7822295).
24. WCC holds a second mortgage on the above property. The Receiver is currently in the process of drafting a new mortgage agreement with the

borrower, as the mortgage has expired. The borrower has continued to make payments on a timely basis.

#### **Mortgage – Edmonton, AB**

25. Luxury Greens by Soren Homes Ltd. is the registered owner of real properties located at 20245 – 93 Avenue, Edmonton, AB (legally described as Lots 232 and 233, Blocks 1 through 43, Condominium Plan 1721169).
26. As discussed in the Interim Receiver's First Report, WCC holds a blanket second mortgage on the above properties and a blanket third mortgage on the above properties.
27. The Receiver has received a payment of \$50,000 as the fifteenth unit has now been sold.
28. The Receiver executed a partial release on the mortgage for this unit but is unsure if Land Titles will accept the release signed by the Receiver and not the Company. Attached as Exhibit 5 is a copy of the release and court order sent to Alberta Land Titles.
29. The Receiver is seeking an order directing Land Titles to accept discharges of mortgages entered into by the various Companies, signed by the Receiver in place of a director or officer of the Companies. The Receiver is the only party that can sign these discharges, as the previous directors and officers of the Companies have resigned, and accordingly, there is no one with the authority to sign the Discharges on the Companies' behalf, except the Receiver.

#### **Mortgage – Beach Grove Properties**

30. Beach Grove Properties Ltd. ("BGPL") is the registered owner of the real property described as Lot 1, Section 9, Township 21, Range 10 West of the 6th Meridian, Kamloops Division, Yale District Plan KAP44752 except Strata Plan EPS1523 (Phase 1).

31. House & Castle Construction Ltd. ("HCCL") is the registered owner of the real property described as Lot 57, Section 17, Township 22, Range 10 West of the 6th Meridian, Kamloops Division, Yale District Plan KAP44752.
32. As discussed in the Interim's Receiver First Report, the above properties were part of a three (3) phase, vacation property development plan on the Shuswap Lake near Salmon Arm, BC, which when complete, would be comprised of forty-three (43) units.
33. Foreclosure proceedings by WCC were underway on the properties, however, were stayed as a result of a counter-claim filed by the Principle of BGPL and HCCL.
34. The Receiver has been in contact with WCC counsel on this file and has requested the documentation regarding both the foreclosure and the counter-claim. As of the date of this report, the information has not been received.

**35. Mortgage – 1465 Naramata Road, Penticton B.C.**

36. This property is legally described as Lot 2, District Lots 199 and 672, Similkameen Division, Yale District Plan 2318, Except Parcel A (Plan B5643).
37. CIBC Mortgages Inc. ("CIBC") holds a first mortgage in the approximate amount of \$1 million.
38. 178 holds a blanket second mortgage on the above real properties. The mortgage was properly signed, however, it appears it was never registered by counsel who acted on behalf of WCC. 178 registered a Lis Pendens on the title to protect its interest when the failure to register was discovered.
39. The property was subject to a foreclosure proceeding initiated by CIBC. On April 18, 2019, an application to approve the sale of the property was brought forth by CIBC. The Court approved the sale of the property, which is set to close on May 9, 2019.

40. On May 9, 2019, Brian Markus legal counsel dealing with the foreclosure action on behalf of 178, made an application to have the excess funds paid to 178 for the second mortgage.
41. The Receiver agreed to pay Brian Markus his outstanding fees regarding this matter from the proceeds. Mr. Markus was owed approximately \$10,000.
42. The Receiver has since received net proceeds of \$336,209 from the sale of the property.

### **Properties**

#### **112 Purcell Place, Cranbrook, B.C. (Strata Lot 50)**

43. On November 18, 2019, the house and lot were listed by Re/Max Blue Sky Realty in Cranbrook, BC for \$649,900. On March 7, 2019, the price was reduced to \$589,000.
44. Capital Direct Lending Corporation ("CDLC") holds a first mortgage on the property. The mortgage is being kept current. CDLC is owed approximately \$330,000.
45. The Receiver engaged Rocky Mountain Appraisal of Cranbrook, B.C. to complete an appraisal of the property. The appraisal has now been completed. Attached as Confidential **Appendix A** is a copy of this appraisal.
46. On May 28, 2019, the Receiver received an offer on 112 Purcell Road from Brady Smith. Attached as Confidential **Appendix B** is a copy of the Purchase Agreement. The Purchase agreement contains the following key terms and conditions:
  - a) Deposit - \$5,000
  - b) Effective Date – August 31, 2019
  - c) Completion Day – August 31, 2019

d) Conditions

i. On or before June 14, 2019, the Buyer will

1. Obtain financing for the property;
2. Home inspection;
3. Property insurance;
4. Review title search;

ii. The Seller will repair mould damage in the garage;

iii. The Seller will provide evidence the basement suite is deemed legal suite; and

iv. The Seller will evict the basement tenant by September 1, 2019.

47. The Receiver supports the sale of 112 Purcell Place to the purchaser for the following reasons (among others):

- a) The proceeds are fair and reasonable in the opinion of the Receiver, based upon the appraisal obtained by the Receiver;
- b) The Receiver reviewed the offer and countered the offer in an amount the Receiver considered reasonable;
- c) Closing the Purchaser's offer will eliminate go-forward holding costs such as property taxes.

48. The Receiver is seeking approval of the offer to purchase for the sale of 112 Purcell Place.

**228 Shadow Mountain Boulevard, Cranbrook, B.C. (Strata Lot 50)**

49. On or about April 5, 2019, BDO in its capacity as the Interim Receiver at the time, found out about a foreclosure proceeding on this property. The application for the foreclosure occurred on April 8, 2019. The Interim Receiver decided not to oppose the foreclosure application by New Dawn

Development Ltd. as the amount owed under the mortgage was appeared to exceed the fair value of the property. New Dawn was owed \$507,310 as of April 8, 2019, with a per diem interest rate of \$83.35 per day, which was higher than the property had been previously listed for and higher than a recently accepted offer for the property.

50. Before the final Order in the foreclosure proceedings was issued, the Interim Receiver had agreed to sell the property to a third party for \$495,000. It is the understanding of the Receiver that New Dawn closed the sale of the property to this party for \$495,000.

**240 Shadow Mountain Boulevard, Cranbrook, B.C. (Strata Lot 119)**

51. The house and lot are complete. This property is currently subject to a Five Year Joint Venture Agreement which was signed on February 3, 2016. Attached as **Exhibit 6** is a copy of the Joint Venture Agreement.
52. The Receiver's counsel is currently reviewing the Joint Venture Agreement to determine what steps could be taken to realize on the property.
53. The Receiver engaged Rocky Mountain Appraisal of Cranbrook, B.C. to complete an appraisal of the property. The appraisal has now been completed.

**River Crossing Land**

54. The Receiver is in the process of obtaining an appraisal, as follows:
- a) Individual appraisals on the residential lots;
  - b) The development as a whole, as is where is;
  - c) The development as a whole with the completion of a sewer line to the city of Cranbrook; and
  - d) Appraisal on the West and East side of the developments as a major highway separates the property.

55. There is approximately \$237,000 of outstanding property taxes from the current and prior year.
56. There are approximately 100 residential lots for sale on the property that are listed for sale between \$100,000 and \$200,000. These lots have been selling at a rate of approximately two (2) lots a year for the past several years. In 2018, an auction occurred, which resulted in 18 lots being sold.
57. The Receivership Order in its current form, allows the Receiver to sell individual assets for less than \$100,000 without obtaining court approval to a maximum of \$500,000 in the aggregate. The Receiver is seeking to amend the Receivership Order to allow it to sell the individual residential lots that are within 10% of the appraised value without court approval and without regard to the aggregate cap.
58. The Receiver is seeking this amendment, as the cost of obtaining court approval for each residential lot deteriorates recovery for the creditors and uses valuable court time, which could be used for other matters.

#### **Drumheller, AB**

59. 178 is the registered owner of real properties legally described as Lots 1 through 8, Block 11, Plan: 1110970.
60. The Receiver is in the process of obtaining an appraisal on Lots 1 through 7, Block 11, Plan: 1110970. These lots have approximately \$11,500 of outstanding property taxes from 2018 and 2019.
61. One of the lots has been developed into a single family home located at 812 – 3rd Street SW in Drumheller, AB (legally described as Lot 8, Block 11, Plan 1110970) (“**Drumheller Home**”). The home is has a mortgage on the property from KV Capital for approximately \$275,000.
62. The Drumheller Home has a tenant who has a lease which is now expired but includes an option to purchase the property. Attached as **Exhibit 7** is a copy of the option to purchase agreement. Currently, WCC holds \$36,700

in trust for this potential sale, which was paid by the Tenant as a deposit toward the purchase.

63. The Receiver obtained an appraisal from Bedrock Appraisal Associates. The appraiser was engaged by the tenant's potential lender and was provided to the Receiver, the tenant and the lender. The appraisal has now been completed. Attached as Confidential **Appendix C** is a copy of this appraisal.

64. The price contained in the option, based upon the appraisal, exceeds the fair value of the property, and accordingly, on June 4, 2019, the tenant and the Receiver agreed to a purchase price for the property in line with the property's appraised value.

65. Attached as Confidential **Appendix D** is a copy of the Purchase Agreement. The Purchase Agreement is currently unsigned, as Mr. Dariusz Grochocki, the tenant, is in the process of reviewing the document with his legal counsel. Mr. Grochocki, has indicated that we should have the document returned to us before the end of the week.

66. The Purchase agreement contains the following key terms and conditions:

- a) Deposit - \$36,700 (previously paid)
- b) Effective Date – August 31, 2019
- c) Completion Day – August 31, 2019
- d) Conditions – there are no conditions

67. The Receiver supports the sale of the Drumheller Home to the purchaser for the following reasons (among others):

- a) The proceeds are fair and reasonable based upon the appraisal obtained by the Receiver;
- b) Closing the Purchaser's offer will eliminate go-forward holding costs such as property taxes;



- c) It avoids the potential foreclosure on the home by KV Capital;
  - d) There are no realtor fees on the transaction, and hence once KV has been paid, the balance of the sale proceeds will come to the Receiver; and
  - e) It honours the initial agreement entered into with WCC and the tenant, except in regard to a change in price which is accounted for by the appraisal.
68. The Receiver is seeking approval of the offer to purchase for the sale of the Drumheller Home.
69. Similar to River's Crossing Property, the Receiver is seeking to amend the Order to allow it to sell the seven (7) individual residential lots, within 10% of the appraised value without court approval.

**Bruderheim, AB**

70. 837 is the registered owner of real property located at 555051 Range Road 203, Lamont County, AB. (legally described as Lot 1, Block 1, Plan 0827309 containing 13 Hectares (32.12 Acres) more or less excepting there out Plan 1420761 Subdivision containing 2.65 Hectares (6.55 Acres) more or less).
71. The Receiver is in the process of obtaining an appraisal on the property.
72. There are potential environmental issues with sodium chlorate in the soil around the Bruderheim Industrial Rail Facility building. The Receiver is in the process of reviewing old environmental reports and obtaining its assessment.
73. The Bruderheim Property has access to a salt cavern belonging to an unrelated third party.
74. The Receiver is currently in the process of negotiating a purchase price for the property.

**Wandering River, AB**

75. 869 is the registered owner of real property builders lots in Athabasca County, AB, which includes the following:

- a) Lots 2 through 8, Block 1, Plan 1021304;
- b) Lots 6 through 14, Block 2, Plan 1021304;
- c) Lot 16, Block 2, Plan 1021304; and
- d) Lots 18 through 23, Block 2, Plan 1021304.

76. The Receiver is in the process of obtaining an appraisal on the property.

77. In order to be able to sell the residential lots in Wandering River, AB, the county of Athabasca required that the contractor engaged by WCC to fix the road be paid in full. The contractor was owed approximately \$67,000. The Receiver has paid this amount in order to obtain the necessary approval to sell the individual residential lots.

78. Similar to River's Crossing Property, the Receiver is seeking to amend the Order to allow it to sell the 23 individual residential lots, within 10% of the appraised value without court approval.

**The Village at Paldi Ent. Ltd. ("PALDI")**

79. The Receiver has entered into a purchase agreement to sell the Paldi Lands, see the Receiver's First Report for full details on the offer and the property.

**Litigation**

80. The below is an updated summary of ongoing litigation matters of WCC et al. since the Interim Receiver's First Report.

Star Prebuilt Homes Ltd.

81. The Receiver has obtained the records of both to Igloo and WCC. The Receiver's legal counsel is in the process of completing an opinion as to the merits of the litigation, and it is anticipated that a supplemental report will be filed in regard that issue.

Barry Homes Ltd. and Performance Paving Services Inc.

82. The Receiver has been in contact with WCC counsel, Kevin Chapotelle of Bryan and Co LLP, on this file and has requested the documentation regarding the claims. As of the date of this report, the information has not been received.

Paldi, Beach Grove and Braun

83. The Receiver has been in contact with WCC counsel, Martin Sennott of Boughton Law Corporation, on these files and has requested the documentation regarding the claims. As of the date of this report, the information has not been received.

84. The Receiver has been in contact with WCC counsel on this file and has requested the documentation regarding the counter. As of the date of this report, the information has not been received.

Black & Associates Appraisal Inc. and Darren Black

85. On April 18, 2019, the Receiver was contacted by WCC counsel, Jennifer Blanchard of Hendrix Law, requesting directions on this file. Due to the timing of the application May 1, 2019, the Receiver's counsel instructed Ms. Blanchard to continue and file the necessary brief and attend the trial.

86. The decision of the Justice on the date of the trial was that this matter was statue barred and the Receiver determined that it would not be cost effective to appeal the decision.

### **Recommendations**

87. The Receiver is seeking the following from this Honourable Court:

- a) Approval of the Receiver's activities and conduct as outlined in this Second Report;
- b) Approval of the sale of the Paldi Lands, 112 Purcell Place and the Drumheller Home;
- c) Amending the Order, to allow the Receiver to sell the residential lots in Drumheller and River's Crossing within 10% of the appraisal price without court approval; and Appointment of BDO as full Receiver for the Companies; and
- d) Any further direction the Court wishes to provide to the Interim Receiver.

### **Intended Course of Action**

88. If the Receiver's recommendations are approved, the Receiver's intended course of actions are

- a) To complete the sale of the Paldi Land;
- b) To complete the sale of the Drumheller Home;
- c) To complete the sale of 112 Purcell Road;
- d) Complete the administration of the various sales and realization of the assets; and
- e) To complete the administration of this Receivership, leading to an application for discharge.

**Westpoint Capital Corporation et al  
Second Report of the Receiver  
June 11, 2019**

**Dated at Edmonton, Alberta this 11<sup>th</sup> day of June 2019.**

**BDO CANADA LIMITED, solely in its  
Capacity as Court Appointed Receiver Of  
Westpoint Capital Corporation et al. and  
not in its personal Capacity**

Per:  \_\_\_\_\_

**David Lewis, CPA, CIRP, LIT  
Vice-President**

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**EXHIBIT 1**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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COURT FILE NUMBER 1903-04121  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C T-8  
SECTIONS 43 AND 46

APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE  
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS WESTPOINT CAPITAL CORPORATION, WESTPOINT  
CAPITAL MANAGEMENT CORPORATION, WESTPOINT  
CAPITAL SERVICES CORPORATION, WESTPOINT  
SYNDICATED MORTGAGE CORPORATION, CANADIAN  
PROPERTY DIRECT CORPORATION, WESTPOINT  
MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING  
LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD.,  
1897837 ALBERTA LTD.

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File No.: 240413.1

I hereby certify this to be a  
true copy of the original

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: April 10, 2019  
PLACE WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta  
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K. Nielsen

#### RECEIVERSHIP ORDER

UPON the application of Judicial Trustee ("BDO" or the "Trustee") and the Interim Receiver of the Respondents ("BDO" or the "Interim Receiver") for a Receiver and Manager in respect of the Respondents; referred to collectively as the "Companies"; AND UPON reading the consent of BDO to act as Receiver and Manager of the Companies, filed; AND UPON hearing read the Affidavit of Munir Virani, filed and the First Report to the Court of BDO Canada Limited in its Capacity as Judicial Trustee of Westpoint Investment Trust, dated April 1, 2019 and the First Report to the Court of BDO Canada Limited in its Capacity as Interim Receiver of Westpoint Capital Corporation et al, dated April 1, 2019; AND UPON hearing counsel for BDO; AND UPON it appearing to this Honourable Court that it is just and equitable to appoint a Receiver; IT IS HEREBY ORDERED AND DECLARED THAT:

#### SERVICE

1. The time for service of the notice of application for this order (the "Order") is hereby abridged and service thereof is deemed good and sufficient and this application is properly returnable today.

## **APPOINTMENT**

2. Pursuant to s. 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 ("BIA"), and section 13(2) of the Judicature Act, R.S.A. 2000, c. J-2, BDO shall be and is hereby appointed Receiver, without security, of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, 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, which shall include the Receiver's ability to abandon, dispose of or otherwise release any interest in any of the Companies' real property, or any right in any immovable, and any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority, in respect of such interest in real property or immovable, including pursuant to section 14.06(4) of the BIA, notwithstanding the provisions of the *Oil and Gas Conservation Act*, RSA 2000, c O-6, the *Pipeline Act*, RSA 2000, or any other similar provincial legislation;
  - (b) to receive, preserve and protect 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 Companies, including the power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Companies;
  - (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 Companies or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
- (g) to settle, extend or compromise any indebtedness owing to or by the Companies;
- (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 Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Companies;
- (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 Companies, 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, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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 subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing 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, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Companies and not in its personal capacity;
- (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 Companies;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have;

- (s) to assign the Companies into bankruptcy or obtain a bankruptcy order against the Companies, without the need to make any further application to this Court, if the Receiver determines that it is in the best interest of the estate; and
- (t) 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, including the Companies, and without interference from any other Person (as defined below).

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Companies, (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 Companies, 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 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 COMPANIES OR THE PROPERTY**

8. No Proceeding against or in respect of the Companies 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 Companies 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; and (ii) affect a Regulatory Body's investigation in respect of the Companies or an action, suit or proceeding that is taken in respect of the Companies 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 OF REMEDIES**

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Companies or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Companies is a party that purport to effect or cause a cessation of operatorship as a result of the

occurrence of any default or non-performance by or the insolvency of the Companies, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Companies be replaced as operator pursuant to any such agreements without further order of this Court provided, however, [that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:

- (a) empower the Receiver to carry on any business that the Companies are not lawfully entitled to carry on;
- (b) prevent the filing of any registration to preserve or perfect a security interest;
- (c) prevent the registration of a claim for lien; or
- (d) exempt the Receiver from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. No Person shall accelerate, suspend, 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 Companies, except with the written consent of the Companies and the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

#### **CONTINUATION OF SERVICES**

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Companies, 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 Companies

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Companies or exercising any other remedy provided under such agreements or arrangements. The Companies shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with the payment practices of the Companies, or such other practices as may be agreed upon by the supplier or service provider and each of the Companies and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. 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 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**

14. Subject to employees' rights to terminate their employment, all employees of the Companies shall remain the employees of the Companies until such time as the Receiver, on the Companies'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) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 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 Companies, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. (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 10 days after the order is made if no time is so specified, within 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 10 days after the

order is made or within 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.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. 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, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

#### **RECEIVER'S ACCOUNTS**

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. 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, incurred 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 section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. 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 the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.



#### **FUNDING OF THE RECEIVERSHIP**

21. The Receiver be at liberty and it 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 exceed \$500,000 (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, deemed 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) and 88 of the BIA.
22. 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.
23. 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.
24. 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.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **ALLOCATION**

26. 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**

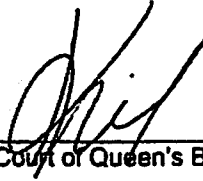
27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Companies.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver 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 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.
32. Any interested party may apply to this Court to vary or amend this Order on not less than 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.

## **FILING**

33. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
34. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, 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.

35. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Companies.
36. 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.
37. The Receiver 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 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.
38. The Receiver shall establish and maintain a website in respect of these proceedings at [www.extranets.bdo.ca](http://www.extranets.bdo.ca) (the "Receiver's Website") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
39. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
    - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order; and
  - (b) posting a copy of this Order on the Receiver's Website
- and service on any other person is hereby dispensed with.

40. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in black ink, appearing to be 'J. H. H.', is written over a horizontal line.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION, WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION, CANADIAN PROPERTY DIRECT CORPORATION, WESTPOINT MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD., 1897837 ALBERTA LTD. (referred to collectively as the "Companies") appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 10th day of April, 2019 (the "Order") made in Action Number 1903-04121, 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 [daily] [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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, 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, and it is not under 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\_\_.

BDO CANADA LIMITED, solely in its  
Capacity as Court Appointed Interim Receiver Of  
Westpoint Capital Corporation et al. and not in its

personal Capacity

Per:

Name:

Title:

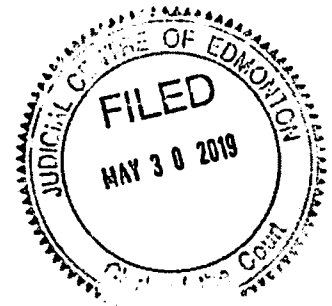
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**EXHIBIT 2**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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COURT FILE NUMBER 1903-04121  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C T-8  
SECTIONS 43 AND 46

APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE  
MUNIR VIRANI AND MARNIE KIEL

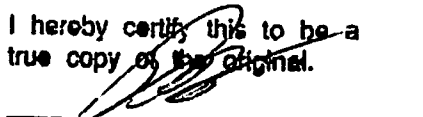
RESPONDENTS WESTPOINT CAPITAL CORPORATION, WESTPOINT  
CAPITAL MANAGEMENT CORPORATION, WESTPOINT  
CAPITAL SERVICES CORPORATION, WESTPOINT  
SYNDICATED MORTGAGE CORPORATION, CANADIAN  
PROPERTY DIRECT CORPORATION, WESTPOINT  
MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING  
LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD.,  
1897837 ALBERTA LTD.

DOCUMENT  
ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**CONSENT AMENDING and RECEIVERSHIP ORDER**

MILLER THOMSON LLP  
Barristers and Solicitors  
2700, Commerce Place  
10155-102 Street  
Edmonton, AB, Canada T5J 4G8  
Phone: 780.429.1751 Fax: 780.424.5866  
Lawyer's Name: Terrence Warner  
Lawyer's Email: twarner@millerthomson.com  
File No.: 240413.1

I hereby certify this to be a  
true copy of the original.

  
\_\_\_\_\_  
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: May 30, 2019  
PLACE WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta  
NAME OF JUSTICE WHO MADE THIS ORDER: A. Loparco

**CONSENT AMENDING and RECEIVERSHIP ORDER**

UPON the application of the Receiver of the Respondents ("BDO" or the "Receiver") to amend the style of cause in these proceedings to add The Village at Paldi Ent. Ltd. ("Paldi") as a party Respondent in these proceedings, and to extend the terms of the Order granted herein on April 10, 2019 with regard to the receivership of the original party Respondents (the "Receivership Order") to include Paldi as a party in receivership; AND UPON noting the consent of the sole director of Paldi, Munir Virani, a former Trustee of Westpoint Investment Trust; and a former director of the current Respondents; AND UPON being advised that the shares of Paldi are owned by the Respondent Westpoint Capital Corporation; AND UPON hearing counsel for BDO; AND UPON it appearing to this Honourable Court that it is just and equitable to appoint a Receiver over Paldi; IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of the application brought on behalf of the Receiver for this Order is hereby dispensed with.



2. It is hereby directed that The Village at Paldi Ent. Ltd. ("Paldi") be added as a party Respondent to the within proceedings, and BDO shall be, and is hereby appointed Receiver of Paldi, without security, of all of Paldi's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.
3. All of the terms of the Receivership Order, as defined in the preamble to this Order, shall be deemed to extend to and apply to Paldi, effective as of the date of this Order, in the same manner as if Paldi had been named originally as a party Respondent in these proceedings, *mutatis mutandi*.
4. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
5. The Receiver 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 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.

"A. Loparco"  
Justice of the Court of Queen's Bench of Alberta

CONSENTED TO BY:

The Village at Paldi Ent. Ltd.

Per: \_\_\_\_\_

Munir Virani, Director

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**EXHIBIT 3**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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Tel: 780 424 3434  
 Fax: 780 424 3222  
 www.bdo.ca

BDO Canada Limited  
 615, 10216 124 Street NW  
 Edmonton, AB T5N 4A3

**IN THE MATTER OF THE RECEIVERSHIP OF  
 WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION,  
 WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION,  
 CANADIAN PROPERTY DIRECT CORPORATION, WESTPOINT MASTER LIMITED PARTNERSHIP, RIVER'S  
 CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD., AND 1897837 ALBERTA LTD.**

**Notice and Statement of the Receiver  
 (Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)**

The receiver gives notice and declares that:

1. On April 10, 2019, the Court of Queen's Bench of Alberta (the "Court") granted an Order (the "Order") appointing BDO Canada Limited as Receiver ("BDO" or the "Receiver") in respect of Westpoint Capital Corporation ("WCC"), Westpoint Capital Management Corporation ("WCMC"), Westpoint Capital Services Corporation ("WCSC"), Westpoint Syndicated Mortgage Corporation ("WSMC"), Canadian Property Direct Corporation ("CPDC"), Westpoint Master Limited Partnership ("WMLP"), River's Crossing Ltd. ("RCL"), 1897869 Alberta, Ltd. ("869"), 1780384 Alberta Ltd. ("178"), 1897837 Alberta Ltd. ("837"), (collectively the "Companies"). A copy of the Order is available by contacting the undersigned or by visiting the undersigned website at: <http://www.extranets.bdo.ca/WCCETAL/index.cfm>.
2. The assets of the Companies and their net carrying values are described below based on the most recent historical consolidated accounting records:

<u>Assets</u>	<u>Net Carrying Value (\$000s)</u>
Cash and cash equivalents	\$100,000
Mortgages	14,658,000
Real estate	3,534,000
RCL real estate	<u>21,398,000</u>
<b>Total</b>	<b><u><u>\$39,690,000</u></u></b>

*Note: The above amounts represent net carrying values of the Company's assets as detailed in the Company's books and records, and do not necessarily represent the sale or liquidation value of the Property.*

3. The mortgages and real estate assets are held in trust for Westpoint Investment Trust.
4. The following information relates to the receivership:
  - (a) Addresses of the Companies covered by the Receivership Orders:
    - a. 201, 1230 91 Street  
Edmonton, AB T6X 0P2
    - b. 4505 97 Street NW  
Edmonton, AB T6E 5Y8



c. 202 - 1007 Fort Street  
Victoria BC V8V 3K5

(b) Principal line of business:

Investment fund manager that manages mortgages on various real properties and hold commercial real estate.

(c) Location of business head office:

201, 1230 91 Street  
Edmonton, AB T6X 0P2

(d) Based on a preliminary review of the Companies records and the Personal Property Registries in both Alberta and British Columbia, the following is a list of creditors who hold a security interest on the property described above:

Creditor	Estimated Amount (\$)
Capital Direct Lending Corp.	\$329,533
KV Capital Inc.	275,000
Conexus Credit Union	10,000,000
Alberta Treasury Branches	Nil

(e) Based on the Companies' records, the list of other creditors including the amount owed to each is listed on Exhibit A attached hereto. The total amount due to these creditors based on the books and records of the Companies is \$17,330,693.

(f) In addition to the above list of creditors, the Companies have various ongoing litigation matters. The Receiver is in the process of evaluating each of these actions individually for potential recovery or exposure.

(g) The intended plan of action of the Receiver during the receivership, to the extent such a plan has been determined, is to market the real property for sale, collect the on-going mortgage payments and any related lease receivables.

(h) Contact person for Receiver:

BDO Canada Limited  
616, 10216 124 Street  
Edmonton, Alberta T5N 4A3  
Attention: Lisa Luong/Jim Hutchinson  
Tel: 780-423-4401/780-643-6195  
Fax: 780-424-3444  
E-Mail: [LLuong@bdo.ca](mailto:LLuong@bdo.ca)  
[JHutchinson@bdo.ca](mailto:JHutchinson@bdo.ca)



Dated at Edmonton, Alberta this 15<sup>th</sup> day of April 2019.

**BDO CANADA LIMITED**

**In its capacity as Receiver of Westpoint Capital Corporation et al  
And not in its personal capacity**

**Per:**

A handwritten signature in black ink, appearing to read 'D. Lewis'.

**David Lewis, CPA, CA, CIRP, LIT  
Vice President**

**Westpoint Capital Corporation et al  
List of Unsecured Creditors  
Exhibit A**

**Westpoint Master LP**

Name	Amount
Bryan and Company	\$ 294
Minister of Finance	9,619
Stirling Capital Partners Ltd	872,055
Westpoint Capital Corporation	455,238
Westpoint Capital Services Corporation	370,005
Westpoint Syndicated Mortgage Corporation	102,857
<b>Total</b>	<b><u>1,810,067</u></b>

**1897837 Alberta Ltd.**

Name	Amount
Lamont County	30,608
<b>Total</b>	<b><u>30,608</u></b>

**1780384 Alberta Ltd.**

Name	Amount
KV Capital	275,000
<b>Total</b>	<b><u>275,000</u></b>

**1897869 Alberta Ltd**

No known creditors

**Westpoint Capital Services Corporation**

Name	Amount
Aikins, Macaulay & Thorvaldson LLP	1
Bryan and Company	66,630
Challenger Geomatics Ltd	19,097
EPCOR	523
Executive Cleaning Services	1,103
Frontrunner Financial	1,627
Great west life	1,461
Hendrix Law	1
Herman, Kloot & Company	1
HMC Lawyers LLP	1
Lunny Atmore LLP	1
Odishaw & Guido	1
Ogilvie LLP	1
Ormrod & Company LLP	1
Pure logic	320
PWC	63,394
RBC VISA	5,732
Red Owl Enterprises	761

**Westpoint Capital Corporation et al  
List of Unsecured Creditors  
Exhibit A**

Reed Pope Law Corporation	1
Reynolds Mirth Richard and Farmer	1
Summerhill Group Inc	499
Trust Energy Marketing Ltd	1,420
Virani Capital Corporation	248,642
<b>Total</b>	<u><u>411,218</u></u>

**Westpoint Capital Corporation**

Name	Amount
ATB Financial	1
Boughton Law	6,937
Bryan and Company	30,954
Consolidated Civil Enforcement	210
Duncan and Craig	2,651
Receiver General	24,748
Scotiabank VISA	4,911
Sierra Site Works Ltd	55,309
Virani Capital Corporation	178,489
Waste Management of Canada Corporation	1,977
<b>Total</b>	<u><u>306,188</u></u>

**Westpoint Capital Management Corporation**

Name	Amount
Denis Bettson	1,605
Kathy Bogacz	148
Orest Pyshniak	183,076
Westpoint Capital Corporation	220,088
<b>Total</b>	<u><u>404,916</u></u>

**Westpoint Syndicated Mortgage Corporation**

No known creditors

**Rivers Crossing Ltd**

Name	Amount
BC Hydro - 112	1
BC Hydro - 240A	1
BD Hydro - SL4	1
Castlepeak Hospitality Inc.	58,800
Jason So	5,236,320
New Dawn Developments	4,577
Orest Pychniak	268,880
Reed Pope Law Corporation	22,557
Riverlight Media	200
Scotia Visa	323

**Westpoint Capital Corporation et al**  
**List of Unsecured Creditors**  
**Exhibit A**

Shaw Business	1
Shell Canada Products	1
Strata Plan EPS 136	3,600
Strata Plan EPS 153	2,560
Telus	127
Tony Yost Excavating Ltd.	1,968
Westpoint Capital Corporation	8,383,800
Westpoint Capital Services Corp	104,403
Workspace Inc	2,250
WSP Canada Group Limited	2,325
Total	<u>14,092,695</u>
Grand Total	<u><u>\$ 17,330,693</u></u>



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**EXHIBIT 4**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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**BDO Canada Limited**  
**Statement of Receipts and Disbursements For**  
**WestPoint Capital Corporation et al.**  
**For the period of March 8, 2019 to June 7, 2019**

**Receipts**

Funds from foreclosure	\$ 336,209
Cash on hand	135,733
Sale of land	95,500
Mortgage payments	56,413
Rental Income	6,920
GST collected	4,775
Miscellaneous income	1,000
Interest Income	144
	<hr style="width: 100%; border: 0.5px solid black;"/>
	636,694

**Disbursements**

Wages	114,871
Legal fees	92,937
Construction	63,400
Payment to secured creditor	45,536
Insurance	21,647
Payroll deductions	20,193
Real property taxes	11,076
Appraisal fees	9,101
GST paid	8,672
Settlement amount	6,685
Commission	5,730
Utilities	4,821
Consulting fees	4,715
Mortgage payments	4,027
Office expenses	2,575
Repairs and maintenance	2,504
Occupation rent	2,078
Advertising	1,000
Payroll services	134
Storage	75
Filing fees paid to the Official Receiver	70
Photocopies	13
Search fee	10
	<hr style="width: 100%; border: 0.5px solid black;"/>
	421,869
	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	\$ 214,825
	<hr style="width: 100%; border: 0.5px solid black;"/>

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**EXHIBIT 5**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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**PARTIAL DISCHARGE OF MORTGAGE**

**FORM 7  
LAND TITLES ACT  
(Sections 36 and 106)**

Westpoint Capital Corporation, the Mortgagee, by its Court appointed Receiver, BDO Canada Limited, does hereby acknowledge to have received the sum of \$50,000, being part of the money to become due under the Mortgages made by Luxury Greens by Soren Homes Ltd., to Westpoint Capital Corporation, which Mortgages were registered in the Land Titles Office as instrument numbers 172 144 337 and 182 165 183; that the Mortgages have not been transferred; and that the same is partially discharged as to the following described lands only:

**CONDOMNIUM PLAN 1721169**

**UNIT 12**

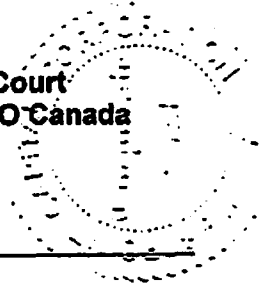
**AND 233 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING THEREOUT ALL MINES AND MINERALS**

**IN WITNESS WHEREOF**, Westpoint Capital Corporation has hereunto affixed its corporate seal by the hands of its Court appointed Receiver, BDO Canada Limited this 31 day of May, 2019.

)  
) **WESTPOINT CAPITAL**  
) **CORPORATION by its Court**  
) **appointed Receiver BDO Canada**  
) **Limited**  
)



\_\_\_\_\_  
David Lewis



**AFFIDAVIT OF EXECUTION**

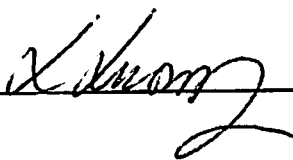
CANADA  
PROVINCE OF ALBERTA  
TO WIT:

) I, LISA LUONG,  
)  
) of the City of  
)  
) in the Province of Alberta  
)  
) MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see David Lewis named in the attached 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. THE SAME was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
3. I KNOW the said person and he is, in my belief, of the full age of eighteen (18) years.

SWORN BEFORE ME at the City of  
Edmonton, in the Province of Alberta, this  
31<sup>st</sup> day of May, 2019.

  
\_\_\_\_\_  
A COMMISSIONER FOR OATHS  
in and for the Province of Alberta

)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
  
\_\_\_\_\_

**SHELLY A. SELENT**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Mar. 13, 2021.

COURT FILE NUMBER

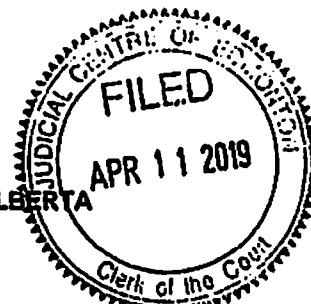
1903-04121

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON



IN THE MATTER OF THE TRUSTEE ACT, RSA 2000, C T-8  
SECTIONS 43 AND 46

APPLICANTS

WESTPOINT INVESTMENT TRUST BY ITS TRUSTEE  
MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS

WESTPOINT CAPITAL CORPORATION, WESTPOINT  
CAPITAL MANAGEMENT CORPORATION, WESTPOINT  
CAPITAL SERVICES CORPORATION, WESTPOINT  
SYNDICATED MORTGAGE CORPORATION, CANADIAN  
PROPERTY DIRECT CORPORATION, WESTPOINT  
MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING  
LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD.,  
1897837 ALBERTA LTD.

DOCUMENT  
ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

RECEIVERSHIP ORDER  
MILLER THOMSON LLP  
Barristers and Solicitors  
2700, Commerce Place  
10155-102 Street  
Edmonton, AB, Canada T5J 4G8  
Phone: 780.429.1751 Fax: 780.424.5866  
Lawyer's Name: Terrence Warner  
Lawyer's Email: twarner@millerthomson.com  
File No.: 240413.1

I hereby certify this to be a  
true copy of the original  
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:

April 10, 2019

PLACE WHERE ORDER WAS PRONOUNCED:

Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER:

The Honourable Justice K. Nielsen

### RECEIVERSHIP ORDER

UPON the application of Judicial Trustee ("BDO" or the "Trustee") and the Interim Receiver of the Respondents ("BDO" or the "Interim Receiver") for a Receiver and Manager in respect of the Respondents; referred to collectively as the "Companies"; AND UPON reading the consent of BDO to act as Receiver and Manager of the Companies, filed; AND UPON hearing read the Affidavit of Munir Virani, filed and the First Report to the Court of BDO Canada Limited in its Capacity as Judicial Trustee of Westpoint Investment Trust, dated April 1, 2019 and the First Report to the Court of BDO Canada Limited in its Capacity as Interim Receiver of Westpoint Capital Corporation et al, dated April 1, 2019; AND UPON hearing counsel for BDO; AND UPON it appearing to this Honourable Court that it is just and equitable to appoint a Receiver; IT IS HEREBY ORDERED AND DECLARED THAT:

#### SERVICE

1. The time for service of the notice of application for this order (the "Order") is hereby abridged and service thereof is deemed good and sufficient and this application is properly returnable today.

## **APPOINTMENT**

2. Pursuant to s. 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 ("BIA"), and section 13(2) of the Judicature Act, R.S.A. 2000, c. J-2, BDO shall be and is hereby appointed Receiver, without security, of all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, 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, which shall include the Receiver's ability to abandon, dispose of or otherwise release any interest in any of the Companies' real property, or any right in any immovable, and any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority, in respect of such interest in real property or immovable, including pursuant to section 14.06(4) of the BIA, notwithstanding the provisions of the *Oil and Gas Conservation Act*, RSA 2000, c O-6, the *Pipeline Act*, RSA 2000, or any other similar provincial legislation;
  - (b) to receive, preserve and protect 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 Companies, including the power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Companies;
  - (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 Companies or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
- (g) to settle, extend or compromise any indebtedness owing to or by the Companies;
- (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 Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Companies;
- (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 Companies, 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, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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 subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing 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, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Companies and not in its personal capacity;
- (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 Companies;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have;

- (s) to assign the Companies into bankruptcy or obtain a bankruptcy order against the Companies, without the need to make any further application to this Court, if the Receiver determines that it is in the best interest of the estate; and
- (t) 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, including the Companies, and without interference from any other Person (as defined below).

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Companies, (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 Companies, 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 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 COMPANIES OR THE PROPERTY**

8. No Proceeding against or in respect of the Companies 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 Companies 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; and (ii) affect a Regulatory Body's investigation in respect of the Companies or an action, suit or proceeding that is taken in respect of the Companies 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 OF REMEDIES**

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Companies or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Companies is a party that purport to effect or cause a cessation of operatorship as a result of the

occurrence of any default or non-performance by or the insolvency of the Companies, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Companies be replaced as operator pursuant to any such agreements without further order of this Court provided, however, [that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:

- (a) empower the Receiver to carry on any business that the Companies are not lawfully entitled to carry on;
- (b) prevent the filing of any registration to preserve or perfect a security interest;
- (c) prevent the registration of a claim for lien; or
- (d) exempt the Receiver from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. No Person shall accelerate, suspend, 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 Companies, except with the written consent of the Companies and the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

#### **CONTINUATION OF SERVICES**

12. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with the Companies, 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 Companies

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Companies or exercising any other remedy provided under such agreements or arrangements. The Companies shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with the payment practices of the Companies, or such other practices as may be agreed upon by the supplier or service provider and each of the Companies and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. 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 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**

14. Subject to employees' rights to terminate their employment, all employees of the Companies shall remain the employees of the Companies until such time as the Receiver, on the Companies'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) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act, S.C. 2005, c.47 ("WEPPA")*.
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act, S.C. 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 Companies, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. (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 10 days after the order is made if no time is so specified, within 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 10 days after the

order is made or within 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.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. 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, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

#### **RECEIVER'S ACCOUNTS**

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. 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, incurred 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 section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. 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 the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. The Receiver be at liberty and it 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 exceed \$500,000 (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, deemed 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 14.08(7), 81.4(4) and 81.8(2) and 88 of the BIA.
22. 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.
23. 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.
24. 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.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **ALLOCATION**

26. 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**

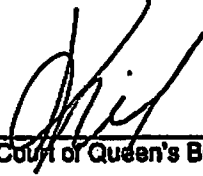
27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Companies.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver 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 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.
32. Any interested party may apply to this Court to vary or amend this Order on not less than 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.

**FILING**

33. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
34. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, 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.

35. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Companies.
36. 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.
37. The Receiver 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 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.
38. The Receiver shall establish and maintain a website in respect of these proceedings at [www.extranets.bdo.ca](http://www.extranets.bdo.ca) (the "Receiver's Website") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
39. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
    - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order; and
  - (b) posting a copy of this Order on the Receiver's Website
- and service on any other person is hereby dispensed with.

40. **Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.**

A handwritten signature in black ink, appearing to be 'D. H. J.', written over a horizontal line.

**Justice of the Court of Queen's Bench of Alberta**

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION, WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION, CANADIAN PROPERTY DIRECT CORPORATION, WESTPOINT MASTER LIMITED PARTNERSHIP, RIVER'S CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD., 1897837 ALBERTA LTD. (referred to collectively as the "Companies") appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 10th day of April, 2019 (the "Order") made in Action Number 1903-04121, 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 [daily] [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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, 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, and it is not under 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\_\_.

BDO CANADA LIMITED, solely in its  
Capacity as Court Appointed Interim Receiver Of  
Westpoint Capital Corporation et al. and not in its

personal Capacity

Per:

Name:

Title:

\_\_\_\_\_

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**EXHIBIT 6**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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**JOINT VENTURE AGREEMENT**

This Agreement is made as of the date specified in Schedule A ("Date of Agreement")

**BETWEEN:**

**Finder** (as defined in Schedule A)

- and -

**Venturer** (as defined in Schedule A)

By this Agreement we have formed:

**THE #240 SHADOW MOUNTAIN BLVD JOINT VENTURE**

(the "Joint Venture" or "Venture") concerning the "Property" defined in Schedule A.

ANY INVESTMENT IS SPECULATIVE; REAL ESTATE IS NO DIFFERENT. EVERY INVESTOR SHOULD CONSULT INDEPENDENT ADVISORS WITH EXPERIENCE IN REAL ESTATE INVESTMENT. FINDER DOES NOT GUARANTEE VENTURERS' INVESTMENT IN THIS JOINT VENTURE.

For good consideration, the receipt and sufficiency of which we hereby acknowledge, and the mutual promises contained in this Agreement, we agree to the following Articles and Schedules of the Agreement:

- ARTICLE I: FORMING THE JOINT VENTURE**
- ARTICLE II: THE COMMITTEE AND THE FINANCIAL MANAGER**
- ARTICLE III: FINANCING THE JOINT VENTURE**
- ARTICLE IV: TRANSFER OF OWNERSHIP**
- ARTICLE V: ACCOUNTING AND DISTRIBUTIONS**
- ARTICLE VI: GENERAL PROVISIONS**

- SCHEDULE A**
- SCHEDULE \_\_\_\_\_**
- SCHEDULE \_\_\_\_\_**
- SCHEDULE \_\_\_\_\_**
- SCHEDULE \_\_\_\_\_**
- SCHEDULE \_\_\_\_\_**

## ARTICLE I: FORMING THE JOINT VENTURE

### **1.01      Formation**

Finder and Venturers (jointly the "Investors" and individually an "Investor") agree that the assets of the Joint Venture, including the title to the Property, shall be held as set out in Schedule 'A'

### **1.02      Purpose**

The purpose ("Purpose") of the Venture is to acquire and manage the Property with long-term rental income.

### **1.03      Protection of Investment**

Any Investor shall have the right to register this Agreement or notice thereof on the title of the Property at his own expense.

### **1.04      Tenancy-in-Common**

All Property comprising or used in connection with the Joint Venture shall be owned beneficially by the Investors as tenants-in-common. Unless this Agreement otherwise provides, all revenues and benefits derived from, and all obligations and liabilities incurred in respect of, the Property shall be shared by the Investors on the basis of their respective percentage participation in the Joint Venture ("Investor Percentage Participation" or "Interest") as specified by percent in Schedule A.

### **1.05      Relationship of the Investors**

This Agreement creates a Joint Venture to carry out the Purpose and does not create a partnership between the Parties nor does it authorize any Party to act as agent or trustee for the other Party SAVE AND EXCEPT as set out in this Agreement.

### **1.06      Term**

The term of the Joint Venture shall start as of the Date of Agreement, and shall continue, unless sooner terminated in accordance with other provisions of this Agreement, for so long as the Investors or any of their heirs, executors, administrators, successors or permitted assigns hold any interest in or have any obligations relating to the Property.

### **1.07      Release and Indemnification**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Venturers hereby:

- (a) remise, release and forever discharge Finder and his heirs, executors, administrators and personal representatives and all shareholders, Officers and Directors of Finder of and from all manner of actions, causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, claims and demands whatsoever which the Venturers ever had, now have or can, shall or may have for or by any reason of any cause, matter or thing whatsoever existing now or arising in the future, including without limiting the generality of the foregoing, any cause, matter or thing howsoever arising out of the Venturers' investment in this Joint Venture; and
- (b) agree not to make any claim or take any proceedings against any other person, firm, corporation or other entity in respect of matters and claims hereby released who might claim contribution from or to be indemnified by Finder; and
- (c) further agree that, if the Venturers or any of them are corporations, such Venturers ("Corporate Venturers") hereby indemnify Finder against all manner of actions, causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, claims and demands whatsoever which the shareholders, Officers or Directors of such Corporate Venturers ever had, now have or can, shall or may have for or by any reason of any cause, matter or thing whatsoever existing up to the date of this Release and Indemnification, including without limiting the generality of the foregoing, any cause, matter or thing howsoever arising out of:
  - (i) the Venturers' investment in this Joint Venture; or
  - (ii) the shareholders' investment in the Corporate Venture; or
  - (iii) the Officers or Directors involvement in the Corporate Venturer.



- (d) confirm that the Venturer's decision to invest in this Joint Venture was made solely on the basis of:
- (i) the Venturer's own due diligence which the Venturers hereby confirm that they have completed to their own satisfaction;
  - (ii) the provisions of this written Joint Venture Agreement which the Venturers hereby confirm that they fully understand; and
  - (iii) the advice received by the Venturers from their own chosen professional and personal advisors, competent in the Venturers' opinion to offer said advice and totally independent of Finder.

## ARTICLE II: THE COMMITTEE AND THE FINANCIAL MANAGER

### **2.01 Committee and Financial Manager**

- (a) The Investors hereby create a committee ("Committee") charged by the Investors with the management and operation of the Joint Venture and the Property. The Committee and the Investors are responsible in every way for the Venture, the Property and all related agreements and commitments.
- (b) The Committee hereby creates the position of financial manager ("Financial Manager") and appoints the Financial Manager specified in Schedule A to conduct the day-to-day financial affairs of the Property and the Joint Venture. The Financial Manager may be, in the discretion of the Committee:
- (i) a person; or
  - (ii) a corporation.

### **2.02 Details and Duties of the Committee**

- (a) Each Investor shall appoint one representative ("Representative") to the Committee which Representative may be the Investor himself or any other Investor or any other person of his choosing. In addition, each Investor shall have the right to appoint, in writing, one or more Alternates to serve in the event the Representative is absent or unable to serve. Until such appointment has been revoked by written notice to the Committee, any decision made by any such Representative or Alternate at a Committee meeting shall be binding upon his Investor. Appointments or replacements of Representatives or Alternates shall be made in writing to the Committee.
- (b) Investors, Representatives or Alternates ("Members") may invite outside advisors to meetings, none of whom shall be entitled to remuneration from the Joint Venture for their services to or on the Committee. The Financial Manager (also a "Member") may invite outside advisors to attend meetings and such advisors shall be entitled to remuneration from the Joint Venture, subject to approval by the Committee.
- (c) Meetings of the Committee shall be held at the request of any Member upon at least three business days' notice unless the Investors waive such notice in writing. Any such notice of meeting shall include an agenda of the business to be introduced together with relevant background materials. A quorum for any meeting shall consist of one Representative or Alternate from each Investor who shall be present in person, by telephone or other approved form of communication throughout the meeting. The Members present shall represent and vote their respective Investor's Interest. The Financial Manager shall keep minutes of all meetings.
- (d) A majority ("Majority") decision representing more than fifty percent (50%) of the Interests in the Property ("Resolution") of the Committee shall be binding upon the Investors. Any agreement in writing signed by a Majority of Investors or their Representatives (also referred to in this Agreement as a "Resolution") shall be valid as if such agreement had been passed at a Committee meeting.
- (e) Without in any way diminishing the ultimate responsibility of the Committee and the Investors, the Committee may delegate duties to the Financial Manager or to any other party by Resolution. The Committee hereby delegates to the Financial Manager the duties of the Financial Manager itemized in this Agreement. The Committee may from time to time delegate other duties to the Financial Manager or cancel or amend previously delegated duties in any way the

Committee deems appropriate. It is hereby acknowledged by all Parties that the Committee retains to itself and does not by this Agreement delegate to the Financial Manager the following duties:

- (i) appointment of Financial Manager;
- (ii) approval of all reports, budgets and financial statements presented to it by the Financial Manager, property manager, auditor or other party;
- (iii) reporting to Investors.
- (iv) approving or disapproving any conveyance, sale, transfer, assignment or other disposition of the Property;
- (v) approving or disapproving capital improvements to the Property in excess of five percent (5%) of the purchase price of the Property;
- (vi) any mortgaging or re-mortgaging of the Property; and
- (viii) any matters not in the ordinary course of business.

### **2.03 Duties of Financial Manager**

The acts of the Financial Manager shall bind the Investors and the Joint Venture when such acts are within the Financial Manager's authority. In addition to the duties delegated to the Financial Manager elsewhere in this Agreement and from time to time by Resolution of the Committee, the Financial Manager is hereby delegated the following duties:

- (a) The Financial Manager shall report to and take direction and instructions from the Committee and shall serve at the pleasure of the Committee.
- (b) The Financial Manager shall conduct the day-to-day business of the Venture.
- (c) The Financial Manager shall appoint, supervise and if necessary replace a property manager, leasing agent and any other professional support person or firm the Financial Manager deems appropriate for the proper operation and management of the Property and the Joint Venture.
- (d) The Financial Manager shall be an Alternate on the Committee for each Investor and each Investor hereby irrevocably appoints the Financial Manager to be his Alternate on the Committee. The Financial Manager shall assume the role of Alternate for an Investor at any Committee meeting or part thereof in which the Representative or any Alternate otherwise designated by the Investor is not in attendance in person or by telephone.
- (e) The Financial Manager shall be the Chairman of the Committee and shall not have a casting vote.
- (f) The Financial Manager, on behalf of the Committee, shall be the recipient of notices intended for the Committee. The Financial Manager's address shall be the address for notice of the Committee. Notices intended for the Committee do not include Notices intended for Members of the Committee.
- (g) The Financial Manager shall approve or disapprove entry, on behalf of the Joint Venture, into transactions, agreements, contracts or other arrangements, unless the Committee has otherwise expressly approved or disapproved such transactions, agreements, contracts or other arrangements.
- (h) The Financial Manager shall report in writing to the Committee not less frequently than annually with respect to the operation and management of the Joint Venture and the Property.
- (i) The Financial Manager shall sign all cheques, contracts or other documents, which require signature of the Joint Venture in the ordinary course of business.
- (j) Except where specifically provided to the contrary in this Agreement or in the Resolutions of the Committee, the Financial Manager shall perform those duties deemed appropriate by the Financial Manager for the proper management and operation of the Venture and the Property.

### **2.04 Remuneration to the Financial Manager**

- (a) The Financial Manager shall be reimbursed for reasonable out-of-pocket expenses incurred in the normal course of his duties, including but not limited to:

- (i) shipping and handling services for transporting documents to and from Investors and to and from suppliers and other contractors;
- (ii) telephone and fax services; and
- (iii) travel expenses to and from property
- (iv) property management services paid for by the Financial Manager
- (v) repairs and maintenance paid for by the Financial Manager
- (vi) any cash injections made by the Financial Manager to cover any negative cashflow that may occur where cash outflows exceed cash inflows and any cash on hand from time to time

#### **2.05 Duties of Investors**

Investors shall devote such time to the Joint Venture as is reasonably necessary or as is reasonable requested by the Financial Manager from time to time in order to carry out the provisions of this Agreement.

#### **2.06 Investors May Do Business with the Joint Venture**

Each Investor shall give notice in advance to the other Investors and to the Committee of his interest, or the interest of any of his affiliates (defined as any entity in which the Investor has any interest of 25% or more), in any other business or undertaking ("Related Supplier") which proposes to enter into any business transactions with the Joint Venture. Each Investor understands that the conduct of business of the Joint Venture may involve business dealings with Related Suppliers. Investors may engage in or possess any interest in any Related Supplier including, but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage or development of the Property or the Joint Venture and no other Investors shall have any right by virtue of this Agreement in and to such Related Supplier or the income or profits derived therefrom.

#### **2.07 Financial Manager Will do Business with the Joint Venture**

The Financial Manager hereby gives notice to the Committee, and the Committee hereby acknowledges receipt of, and agrees by Resolution with such notice, that the Financial Manager intends to use Related Suppliers to execute some of his duties including but not limited to:

- (i) bookkeeping, accounting and tax planning services;
- (ii) investor relations; and
- (iii) property management and property management supervision services.

All such use of Related Suppliers and payments for such services shall be clearly disclosed and detailed to the Committee, upon written request by any Member. All such expenses shall be reasonable.

#### **2.08 Scope of Authority and Indemnification**

No Party shall enter into any commitment binding upon the Joint Venture, except for:

- (i) actions expressly provided for in this Agreement;
- (ii) actions expressly provided for by Resolution;
- (iii) actions by the Financial Manager within the scope of his authority; and
- (iv) actions by the property manager, if any, (and if the property manager is different from the financial manager, affiliate(s), agents or employees) within the scope of his authority.

Each Investor shall indemnify and hold harmless the other Investors and their Related Suppliers, directors and officers from and against any and all claims, demands, losses, damages, liabilities and other proceedings, judgments and awards, and costs and expenses (including but not limited to solicitors' fees) arising directly or indirectly, in whole or in part, out of any breach of this provision by such Investor or his Related Supplier, affiliates, officers, directors, agents or employees.

## ARTICLE III: FINANCING THE JOINT VENTURE

### **3.01 Initial Financial Contributions**

Contemporaneously with the execution hereof, each of the Venturers shall make initial cash contributions ("Initial Financial Contributions") to the Joint Venture as set out in Schedule A sufficient in total to satisfy the sum of:

- (i) the closing costs to buy the Property;
- (ii) costs to initially renovate the property as determined by the Financial Manager
- (iii) and a reserve deemed sufficient by the Committee to be held by the Joint Venture and used as deemed necessary by the Committee.

### **3.02 Additional Financial Contributions**

It is the intention of the Investors that all initial cash requirements of the Joint Venture be satisfied through the Initial Financial Contributions. To the extent that the Joint Venture requires funds in addition to the Initial Financial Contributions, either initially or later, the Investors hereby agree to make such additional cash contributions ("Additional Financial Contributions") as are specified by the Financial Manager in the same percentages as their Interests in order to enable the Joint Venture to carry out the Purpose of this Agreement.

- (a) Notice by the Financial Manager to the Investors requesting Additional Financial Contributions ("Cash Call") can be overruled by Resolution of the Committee.
- (b) Each Investor shall have thirty (30) days ("Date of First Default") from the date of the Cash Call ("Date of Cash Call") by the Financial Manager to contribute the Additional Financial Contributions. The Financial Manager shall be the judge to decide whether additional cash or co-operation ("Co-operation") is required. Co-operation, without limiting the generality of its common dictionary meaning requires Investors to do any and all things that the Financial Manager, in its discretion, deems necessary for the operation of the Joint Venture.
- (c) If any Investor ("Defaulting Investor") fails to co-operate or to meet a Cash Call by the Date of First Default, then the other Investors ("Contributing Investors") shall forthwith have the right to advance the Additional Financial Contributions on behalf of the Defaulting Investor.
- (d) If the cash offered by the other Investors is more than the Cash Call, then the Financial Manager shall decide on the amounts that each Contributing Investor shall be allowed to contribute.
- (e) If insufficient funds (the difference being the "Cash Call Shortfall") are offered by the Investors, the Financial Manager is hereby authorized by the Investors to forthwith take any or all of the following actions:
  - (i) seek and allow an outside party (also called a "Contributing Investor") to contribute the Cash Call Shortfall, or any part thereof. If such outside party, through his actions as Contributing Investor, assumes or is entitled to assume an Interest in the Property or the Joint Venture, then such party, as a prerequisite to assuming such Interest, shall execute this Agreement and all such other documents as may be reasonably requested by the Financial Manager.
  - (ii) seek and commit to loans, for which the Defaulting Investor is to be held responsible;
  - (iii) take whatever other steps it deems necessary.
- (f) The Contributing Investors shall have a lien or charge on the Interest of the Defaulting Investor. If the Defaulting Investor shall remain in default ("Default") in Co-operation or payment of monies for a period of sixty (60) days ("Date of Second Default") from the Date of Cash Call, then the Interest of the Defaulting Investor shall be dealt with as specified in Section 3.03.
- (g) On the Date of First Default, a Representative of the Contributing Investor or, failing that, the Financial Manager shall immediately replace the Defaulting Investor's Representative on the Committee. The Defaulting Investor shall then have no vote and no say in the Committee whatsoever and shall not be entitled to notice of Committee meetings or have any part of the management of the Venture or the Property.

- (h) Each Investor agrees to indemnify and hold harmless the other Investors from all costs, expenses and damages incurred by the other Investors as a result of the failure of any Investor to satisfy a Cash Call or Co-operation.
- (i) For an Investor to meet a Cash Call after the Date of First Default and before the Date of Second Default, that Investor must pay to the Joint Venture or, if there is a Contributing Investor, to that Contributing Investor, the amount of the Cash Call plus interest at the rate of Royal Bank of Canada prime plus five percentage points.
- (j) If and when the failure to meet a Cash Call is remedied in full as specified in this Section, the Defaulting Investor shall be forthwith reinstated in full and any liens or charges shall be discharged at the expense of the Defaulting Investor.

### **3.03 Default on Cash Call or Co-operation**

- (a) In the case of Default, the Contributing Investor, in his sole discretion, shall opt for either the cash settlement ("Cash Settlement") or the equity settlement ("Equity Settlement") as defined in this Article by notifying the Committee and the Defaulting Investor of his decision within thirty (30) days. If the Contributing Investor fails to make such notification in the prescribed time allotted, the Committee is hereby irrevocably authorized to make the decision on the Contributing Investor's behalf.
- (b) The Defaulting Investor specifically, absolutely and irrevocably authorizes, constitutes and appoints the Contributing Investor as his lawful agent and attorney to do or cause to be done all acts or things, and to execute and deliver all documentation necessary or desirable in order to give effect to the provisions of this Section.

### **3.04 Cash Settlement**

In the Cash Settlement option, the Defaulting Investor shall pay to the Contributing Investor the sum of:

- (i) the Defaulting Investor's share of the Cash Call;
- (ii) a fee for arranging the required cash (the "Arranging Fee") calculated as 20% of the Defaulting Investor's share of the Cash Call and deemed to have been incurred on the date that the Defaulting Investor's share of the Cash Call was met by the Contributing Investor;
- (iii) interest on any outstanding portion of the Cash Call and Arranging Fee calculated at Royal Bank of Canada Prime plus five percentage points calculated and payable monthly from the date the Cash Call was met by Contributing Investor; and
- (iv) interest on outstanding interest at the said rate

where all monies in addition to the Cash Call are liquidated damages and not penalty.

### **3.05 Equity Settlement**

In the Equity Settlement option, the monies advanced by the Contributing Investor plus any fees or expenses incurred by Contributing Investor shall be deemed to have been advanced for the purpose of the purchase of a portion of the Defaulting Investor's Interest ("Equity Settlement Portion" as defined in this Section). The Defaulting Investor's Interest will thus be reduced by the Equity Settlement Portion and the Equity Settlement Portion will be added to the Contributing Investor's Interest. The Defaulting Investor's Cash Call and all related expenses will be deemed to have been paid in full. The Committee shall promptly give notice to the Investors of the new Investor Percentage Participation of each Investor. The Equity Settlement Portion percent shall be the greater of (a) or (b) as set out hereunder:

- (a) twenty percent (20%) of the Defaulting Investor's Interest; or
- (b) the percent calculated according to the following procedure up to a maximum of 100%:
  - (i) two; TIMES
  - (ii) the Defaulting Investor's share of the Cash Call; DIVIDED BY
  - (iii) the product of the Defaulting Investor's Investor Percentage Participation times the total Initial Financial Contribution.

### **3.06 Indemnity**

Each Investor agrees that in the event that a third party requires that the Investors be jointly and severally liable for any obligations arising in the course of pursuing the Joint Venture undertakings or related activities, (the "Joint Venture Undertakings"), the respective liability of each of the Investors, as between themselves, shall be limited to Investor Percentage Participation of the total liability for which the Investors are required to become jointly and severally liable. Each Investor (herein called the "Indemnifying Investor") agrees to indemnify and save harmless the other Investors (herein called the "Indemnified Investors") to the extent of that portion of all monies which the Indemnified Investors may be required to pay or liability to which they have or may become subject by reason of any such joint and several liability or by reason of any actions, proceedings, liability, claims, damages, costs and expenses in relation thereto or arising therefrom, which is in excess of the Investor Percentage Participation of the total liability for which the Investors are required to become jointly and severally liable and which has been paid by the Indemnified Investor. In the event that any Indemnified Investor shall pay an "Excess," defined as monies paid pursuant to any demand from any third person in excess of his Investor Percentage Participation, the other Investors shall forthwith upon demand pay to the Indemnified Investor all of the Excess so paid by the Indemnified Investor.

### **3.07 Failure to Indemnify**

If any Investor fails to pay such Excess upon demand by the Indemnified Investor within thirty (30) days, then the Indemnified Investor shall be entitled to the remedies as defined under Section 3.02 Additional Financial Contributions.

## **ARTICLE IV: TRANSFER OF OWNERSHIP**

### **4.01 Right of First Refusal**

The Parties agree that there shall be a right of first refusal arrangement.

- (a) In consideration of the execution of this Agreement, the receipt and sufficiency of which is hereby acknowledged, each Investor as grantor ("Grantor"), grants to any and all other Investors as grantee ("Grantee"), a right of first refusal to acquire a Grantor's Interest, or any portion thereof on the terms set out in this Section. The Grantor shall specifically include the Investor himself and his heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Interest.
- (b) "First Refusal Offer" means any offer or agreement to sell, purchase, lease, transfer, assign, pledge, mortgage, hypothecate or in any other way to convey or dispose (such action being a "Disposition") either directly or indirectly, all or any portion of his Interest.
- (c) The Grantor shall not permit a Disposition of the Property until it has first offered to Grantee the right to acquire all or part of the Grantor's Interest contained in the First Refusal Offer on the identical terms and conditions set out therein. Upon receipt of any First Refusal Offer, the Grantor shall immediately deliver to the Grantee a complete and true originally executed copy thereof.
- (d) Upon delivery by the Grantor to the Grantee of the First Refusal Offer, the Grantee shall have five (5) days to advise the Grantor whether it elects to acquire the Interest contained in the First Refusal Offer on the same terms and conditions set out therein. If the Grantee does not advise the Grantor in writing within the required time, the Grantee shall be deemed to have rejected such offer.
- (e) If the Grantee does not elect to acquire the Interest, the Grantor may then proceed with the Disposition of his Interest, but only as contained in the First Refusal Offer. If the terms and conditions of the First Refusal Offer are at any time changed in any way following the Grantee's rejection or deemed rejection of the First Refusal Offer, the Grantor shall not permit a Disposition unless he has first complied on all such occasions with the requirements of this Section.
- (f) If the Grantee does not elect to acquire the Interest and the transaction contemplated by the First Refusal Offer does not close, the Grantee's right of first refusal shall survive. If the First Refusal Offer is only with respect to a portion of the Grantor's Interest, the right of first refusal shall continue to apply to the remainder of the Grantor's Interest.

- (g) The Grantor agrees to require as a condition of any First Refusal Offer that the purchaser of any Interest shall agree in writing directly with all other Parties to this Agreement to be bound by this Agreement. All Parties hereby agree that said purchaser shall not receive good title until he has first executed this Agreement and any other documents as may be reasonably required by the Financial Manager.
- (h) If the Grantee advises the Grantor that it elects to acquire the Interest, then the transaction shall close in accordance with the First Refusal Offer.
- (i) If the First Refusal Offer contains any conditions which are required to be waived or met by the intended purchaser, the Grantor shall also provide to the Grantee, promptly upon the waiving or meeting of such conditions, evidence ("Evidence") that the purchaser's conditions have been waived or met. The five-day period of clause (d) of this Section commences when the First Refusal Offer and the Evidence have both been delivered to the Grantee.

#### 4.02 Buy-Sell

The Parties hereby agree that there shall be a buy-sell arrangement.

- (a) Any Investor ("Offeror") shall at any time be entitled to give notice ("Offer") to any other Investor or Investors ("Offeree") to unconditionally either:
  - (i) buy a "Purchased Interest" as defined in this subsection from the Offeree; or
  - (ii) sell the Offeror's Purchased Interest to the Offeree.

Purchased Interest is a specified percent of the vendor's Interest, where the percent is the same whether the vendor is the Offeror or the Offeree. The said percent may be any percent less than or equal to one hundred percent.

- (b) The Offeree shall have the right to elect either (a)(i) or (a)(ii) above. The Offer must be for a specified purchase price, which shall be the same for either a purchase or a sale. The Offer shall be irrevocable by the Offeror for a period of thirty (30) days from the date of its delivery to the Offeree. The Offer shall state a place of closing ("Place of Closing") and a closing date ("Date of Closing") which shall be thirty (30) days after acceptance of the Offer if such is a business day, or otherwise the next business day.
- (c) The Offeree shall be entitled, at any time during the period of thirty (30) days following the delivery of the Offer, to give the Offeror a written notice electing to accept either:
  - (i) the Offer to purchase mentioned in subsection (a)(i), in which case the Offeror will purchase the Offeree's Purchased Interest; or
  - (ii) the Offer to sell mentioned in subsection (a)(ii), in which the Offeror will sell his Purchased Interest to the Offeree.

Upon delivery of such notice, the Offeror and the Offeree shall be bound to complete such purchase and sale in accordance with such terms. If the Offeree shall fail to give such notice within the said period, he shall be conclusively deemed to have accepted the Offer of the Offeror to purchase mentioned in subsection (a)(i) and (c)(i) and shall be bound to sell his Purchased Interest to the Offeror in accordance with the terms of the Offer.

- (d) From and after the closing of the purchase and sale contemplated by this Section, the purchasing party ("Purchasing Party") shall assume all indebtedness or obligations to third parties which the selling party ("Selling Party") properly incurred in connection with the Joint Venture Undertaking.
- (e) If the Selling Party is not represented at the Place of Closing at the Date of Closing, or is represented but fails for any reason to deliver to the Purchasing Party the required documents, then the purchase price for the Purchased Interest shall be deposited by the Purchasing Party into a special account at the main branch of The Royal Bank of Canada located in or nearest to the city of residence of the Purchasing Party, with interest for the account of the Purchasing Party. Such deposit shall constitute valid and effective payment of the purchase price for the Purchased Interest to the Selling Party. If the offer contemplates new financing and financing cannot be completed because of the failure of the Selling Party to supply the required documents, then the Date of Closing shall be postponed until 30 days after the closing documents are provided or a Court Order is obtained that replaces the required documents.

- (f) If the purchase price for the Purchased Interest is deposited pursuant to the subsection above, then from and after the date of such deposit, or in the case of new financing, then 10 business days after the Date of Closing, and even though the appropriate documents and assignments evidencing the purchase and sale of the Purchased Interest have not been delivered to the Purchasing Party, the purchase of the Purchased Interest shall be deemed to have been fully completed and all right, title, benefit, and interest, both at law and in equity, in and to the Purchased Interest shall be conclusively deemed to have been transferred and assigned to and become vested in the Purchasing Party and all right, title, benefit and interest, both at law and in equity, of the Selling Party, or of any transferee, assignee or any other person having any interest, legal or equitable, therein or thereto shall cease and determine, provided, however, that the Selling Party shall be entitled to receive the purchase price so deposited without interest upon delivery to the Purchasing Party of the appropriate documents duly executed and required by the Purchasing Party.
- (g) The Selling Party hereby irrevocably constitutes and appoints the Purchasing Party as his true and lawful attorney-in-fact and agent for, in the name of and on behalf of the Selling Party to execute and deliver in the name of the Selling Party all such assignments, transfers, deeds and instruments as may be necessary effectively to transfer and assign the Purchased Interest, or any part thereof, to the Purchasing Party, or his nominee. Such appointments and power of attorney shall not be revoked by the insolvency, bankruptcy or winding up of the Selling Party who hereby ratifies, confirms and agrees to ratify and confirm all that the Purchasing Party may lawfully do or cause to be done by virtue of this provision. The Selling Party hereby irrevocably consents to any transfer of the Purchased Interest or any part thereof made pursuant to these provisions.
- (h) If the Purchasing Party fails to close at the Date of Closing, then thirty (30) days later the Purchasing Party shall be obligated to sell his Interest to the Selling Party for 80% of the purchase price as set out in this Section in the Offer with the 20% reduction being liquidated damages and not a penalty.
- (j) On sale of all or a portion of the Property under this Section, the general principle for distribution is that an Investor should receive his Initial Financial Contribution, plus a pro-rata share of profit after all costs of sale are paid.
- (i) If the Selling Party is a Venturer, then the Selling Party receives the sum ("Selling Party's Money") of the following items where each item may be a positive or negative dollar amount:
- \* his Initial Financial Contribution;
  - \* a pro-rata share of mortgage pay-down;
  - \* a pro-rata share of the difference between the original purchase price and the buy-sell purchase price as set out in the Offer
  - \* usual adjustments and closing costs
- (ii) The Parties agree that Finder's efforts expended in finding and acquiring the Property are of value. Since the buy-sell provisions of this Section are defined in terms of cash, not services, any offer made pursuant to the buy-sell provisions shall be modified once an Offer is made, if Finder is the Selling Party, so that the Selling Party receives the greater of the following two amounts:
- \* Selling Party's Money
  - \* The product of the total Initial Financial Contributions made by all Investors times the percent of Finder's Interest.

#### **4.03 Forced Listing and Sale**

At any time five (5) years after the date of this agreement, any Investor ("Selling Investor") may have the Property appraised, at his own expense, by a qualified appraiser ("Appraiser") acceptable to the Financial Manager, such approval not to be arbitrarily withheld. If the Appraiser's report is acceptable to the Financial Manager, such approval not to be arbitrarily withheld, the Selling Investor may direct in writing to the Committee that the Property be forthwith placed on the market for sale, using an MLS Realtor chosen in the exclusive discretion of the Financial Manager, or failing the Financial Manager choosing an MLS realtor within 10 business days of directing in writing that the property be placed for sale, then the Selling Investor may choose the MLS realtor. In the event that any other Investors do not wish to sell, they shall give notice to the Selling Investor within thirty (30) days stating their intention to buy the Selling Investor's Interest and, within a further ninety (90) days, pay to the Selling Investor his pro-rata share of the Adjusted Value.



#### **4.04 Guarantees**

If, on the sale of any Interest, the vendor shall be contingently liable or responsible as guarantor of any indebtedness, liability or obligation of the Joint Venture or the Property, the purchaser of such Interest shall use his best efforts to secure the release of the vendor from any and all such guarantees, failing which the purchaser shall deliver indemnities and security therefor to the vendor as the vendor may reasonably require.

#### **4.05 Indebtedness**

If, on the date of closing of any Interest:

- (a) the vendor is indebted to the Joint Venture or any other Party, the purchaser shall pay on the date of closing to the Joint Venture or such other Party such amount of the purchase price as will discharge such indebtedness owing by the vendor;
- (b) a purchaser is indebted to the vendor, then the amount of such indebtedness shall at the option of the vendor be payable on the date of closing;
- (c) the Joint Venture is indebted to the vendor, then such indebtedness immediately prior to sale shall be added to the purchase price payable for the Interest and shall be payable in the same manner as the payment terms of the purchase price for the Interest provided however that the vendor shall deliver to the purchaser a valid assignment of such indebtedness.

#### **4.06 Non Arm's Length Sale**

Any Investor shall require approval of the Committee, to sell transfer, assign, or otherwise dispose of any or all of his Interest to:

- (i) a direct family member;
- (ii) a wholly owned corporation, provided that the future sale, transfer, assignment or other disposition of the shares of such corporation be subject to the approval of the Committee;
- (iii) any other person, corporation, trust or other entity deemed non-arm's length by the Committee.

### **ARTICLE V: ACCOUNTING AND DISTRIBUTIONS**

#### **5.01 Books**

At all times during the term hereof, the Committee shall cause accurate books and records of account to be maintained in which shall be entered all matters relating to the Joint Venture, including all income, expenditures, assets, and liabilities.

#### **5.02 Annual Financial Statements**

The Committee shall cause to be prepared annual financial statements ("Financial Statements") including a balance sheet and income statement, on an accrual basis, within ninety (90) days of the fiscal year end, suitable for the preparation of Investors' Canadian Income Tax Returns.

#### **5.03 Location and Rights of Inspection**

The Joint Venture's books and records of account shall be kept at all times at the place or places selected by the Committee. Any Investor or his authorized representative shall have the right ("Right of Inspection") to inspect, examine and copy the books, records, files, securities and other documents of the Venture at reasonable times at his own expense.

#### **5.04 Special Tax Requirements**

If an Investor requires information for his Canadian Income Tax Return which is not part of the Financial Statements accepted by the Committee, such Investor or his authorized representative shall have the Right of Inspection his own expense.

#### **5.05 Fiscal Year**

The Committee shall determine the fiscal year of the Joint Venture.

**5.06 Bank Accounts**

Funds of the Venture shall be kept in an account or accounts chosen by the Committee. The Financial Manager shall have signing authority for such accounts.

**5.07 Allocations and Distributions**

After allowing for reserves as deemed prudent by the Committee for operating losses, capital improvements and working capital, cash available for distribution shall be distributed at such time or times chosen by the Committee:

- (a) if it is rental income surpluses, pro-rata on Investor Percentage Participation; and
- (b) if it is capital appreciation surpluses realized through sale or increased mortgaging, in the following order:
  - 1st: Additional Financial Contributions shall be repaid.
  - 2nd: Initial Financial Contributions shall be repaid.
  - 3rd: The balance (if any) shall be distributed pro-rata based on Investor Percentage Participation.

**ARTICLE VI: GENERAL PROVISIONS**

**6.01 Complete Agreement**

- (a) This Agreement constitutes the entire agreement between the Parties and supersedes all agreements, representations, warranties, statements, promises and understandings, oral or written, with respect to the subject matter hereof, and no Party hereto shall be bound by nor charged with any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or the Schedules thereto.
- (b) Specifically, Venturers confirm that they:
  - (i) have not relied upon a simplified document entitled Joint Venture Agreement Oversimplified ("JVO") in any way;
  - (ii) understand that reading JVO is not a substitute for reading and understanding this Agreement; and
  - (iii) understand that JVO does not attempt to, nor purport to, cover every provision, nor even every material provision, of this Agreement.
- (c) This Agreement may not be amended, altered or modified except by a written agreement signed by all Parties.

**6.02 Addresses**

All notices under this Agreement shall be in writing and shall be delivered to the Parties at the address set out in Schedule A by:

- (i) hand delivery (including delivery by a commercial courier service)
- (ii) facsimile transmission
- (iii) prepaid registered mail

**6.03 Effective Date**

All notices are deemed to have been received:

- (i) if by hand delivery, on the date of delivery
- (ii) if by facsimile transmission, on the date of transmission
- (iii) if by prepaid registered mail, three full business days after mailing. If a mail strike or other postal disruption occurs anywhere in Canada anytime during the said three-day period, then this method of delivery is not permitted and one of the other methods must be employed.

**6.04 Deemed Receipt**

Valid delivery and receipt shall be deemed to have occurred in cases of:

- (i) rejection or other refusal by the intended recipient to accept; or
- (ii) inability to deliver because of changed address of which no notice was given as provided in Section 6.05.

**6.05 Change of Address**

By giving to the Committee and the other Investors at least five (5) days' written notice, the Parties shall have the right from time to time to change their respective address to any address within Canada.

**6.06 Validity**

In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity or enforceability of the remainder of this Agreement.

**6.07 Survival of Rights**

This Agreement shall be binding upon and enure to the benefit of the Parties, their heirs, executors, legal representatives and permitted successors or assigns.

**6.08 Governing Law**

This Agreement has been entered into in the Province of Alberta and all questions with respect to this Agreement and the rights and liabilities of the Parties shall be governed by the laws of that Province.

**6.09 Time**

Time shall be and remain of the essence.

**6.10 Further Assurances**

Each Party hereto agrees that he and his heirs, executors, administrators, successors and permitted assigns shall do all acts and things and to make, execute and deliver such written instruments, as shall from time to time be reasonably required by the Financial Manager in order to carry out the terms and provisions of this Agreement.

**6.11 Headings not Part of this Agreement**

Headings have been inserted for reference only and shall have no effect whatsoever on the meaning, construction or interpretation of the provisions hereof.

**6.12 Gender**

The masculine shall include the feminine and the neuter and the singular shall include the plural and vice-versa, unless the context otherwise requires.

**6.13 Disputes**

If a dispute arises relating to this Venture, and if said dispute cannot be settled through negotiation, the Parties agree to attempt to settle the dispute by mediation through the independent services of Canadian Dispute Resolution Corporation, before resorting to arbitration, litigation or some other dispute resolution procedure.

**6.14 Business Day**

Business day shall be any day other than Saturday, Sunday or any day on which the principal banker of the Venture is not open for business in the ordinary course.

**6.15 Counterpart**

This Agreement may be executed in counterpart in the same form and such parts so executed shall together form one original agreement and such parts shall be read together and construed as if all Parties had executed one agreement and that all counterparts shall be deemed dated the Date of Agreement.

**6.16 Waiver**

No waiver by any Party of any breach of any condition, covenant or agreement hereof shall constitute a waiver of any other condition, covenant or agreement hereof.

**6.17 Attorney**

Whenever pursuant to this Agreement an Investor acquires a right including but not limited to the transfer of an Interest to his name, or as he may direct, each Investor hereby irrevocably appoints the purchaser and failing him the Financial Manager as his attorney to transfer all or any of the Interest beneficially owned directly or indirectly by such Investor and to execute all documents and assurances as may be necessary to give effect to such right or transfer with full power of substitution in the premises, and each of the Investors hereby agrees to save and hold harmless such attorney with respect thereto, provided that the attorney shall have acted in good faith.

**6.18 Truth in Substance and in Fact**


The Parties hereby irrevocably and mutually acknowledge and declare that the statements contained in the recitals to this Agreement are true in substance and in fact.

IN WITNESS WHEREOF the Parties have hereto affixed their hands and seals or their corporate seals attested by the hands of their duly authorized officers, as of the Date of Agreement.

\_\_\_\_\_  
PER: Finder (Westpoint Real Estate LP) c/s

\_\_\_\_\_  
PER: Financial Manager (Westpoint Capital Management Corporation) c/s

  
\_\_\_\_\_  
PER: Venturef (Orest Pyschniak)

  
\_\_\_\_\_  
PER: Venturef (Jennifer Pyschniak)

**JOINT VENTURE (JV) SCHEDULE A**

**"Date of Agreement" means:** February 3, 2016

**Title To Be In The name Of:** Orest and Jennifer Pyshniak  
(Title will be held in Trust for the benefit of the Finder and Venturers)

**Address:** #79, 26106 TWP Rd. 532A  
Spruce Grove, AB T7Y 1A3

**Contact #'s:** (780) 893-5607 orestpyshniak@gmail.com  
(home/cell phone) (business phone) (fax) (email)

**"Property" means:** #240 Shadown Mountain Blvd  
Cranbrook BC  
PID: 028-126-891 (SL 119DL 987 KD Strata Plan EPS136)

**"Financial Manager" means:** Westpoint Capital Management Corporation  
**Address:** #201 1230 91 St.  
Edmonton, AB T6X 0P2

**Contact #'s:** (780) 433-5516 [invest@westpointcapital.ca](mailto:invest@westpointcapital.ca)  
(home/cell phone) (business phone) (fax) (email)

**"Finder" means:** Westpoint Real Estate LP  
**Address:** #201 1230 91 St.  
Edmonton, AB T6X 0P2

**Contact #'s:** (780) 433-5516 [invest@westpointcapital.ca](mailto:invest@westpointcapital.ca)  
(home/cell phone) (business phone) (fax) (email)

**Share of JV:** 50.0% \$157,000

**"Venturer" means:** Orest and Jennifer Pyshniak

**Address:** #79, 26106 TWP Rd. 532A  
Spruce Grove, AB T7Y 1A3

**Contact #'s:** (780) 893-5607 orestpyshniak@gmail.com  
(home/cell phone) (business phone) (fax) (email)

**Share of JV:** 50% Initial Financial Contribution: \$NIL

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**EXHIBIT 7**

**To the Receiver's Second Report to Court  
Dated June 11, 2019**

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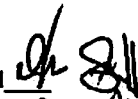

# Residential Lease with Option to Purchase

## THE LEASE

This Residential Lease with Option to Purchase agreement (including Schedules A, B and C) is made and entered into this 28th day of April, 2017, between 1780384 Alberta Ltd., hereafter referred to as the "Owner", and Dariusz Grochocki and Shawna Hodge, hereafter referred to as the "Tenant".

The financial requirements for the Lease with Option to Purchase are as follows:

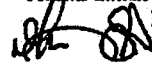
- 1) Payable prior to occupancy Security Deposit: TOTAL: \$1,200.00 \_\_\_\_\_
- (a) Initial "Option Deposit" (non-refundable) \$6,300.00 \_\_\_\_\_
- (b) First Months rent: \$1,200.00 \_\_\_\_\_

Initial   
Initial 

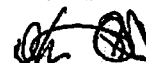
2) The Tenant hereby offers to lease from the Owner the real property situated in the City of Drumheller in the Province of Alberta, located at 812 3rd Street SW hereinafter referred to as the "Premises", with the following legal description: Lot 8 Block 11 Plan 1110970

## Terms and Conditions

- TERM:** The term of the lease shall be 24 months, commencing on May 1, 2017 and terminating on May 1, 2019.
- RENT:** The Rent shall be \$1,200.00 per month; payable to the Owner in advance, on or before the first day of each calendar month, at the address indicated below, or such other places as may be designated by the Owner from time to time.
  - To ensure timely payments, the preferred form of payment is a pre-authorized debit.
- FURTHER OPTION DEPOSITS:** The Tenant agrees to pay a \$20,000.00 additional Option Deposit (to be credited toward the purchase of the property, non-refundable) on or before June 5, 2017.
- UTILITIES:** The Tenant shall pay all utilities and services for the Premises (e.g., electricity, water, gas, sewer service, garbage collection, telephone, cable TV, and Internet) in a timely manner.
  - The Tenant agrees to have the electricity, natural gas, and water utilities put in his name as of the commencement of this Agreement.
  - Upon request by the Owner, the Tenant shall provide proof of timely payment of such utilities and services.
- USE & OCCUPANTS:** The Premises shall be used as residence with no more than 2 adults and 4 children. The Premises shall not be used for any other purpose without the prior written consent of the Owner.
- PETS:** No pets without prior written consent of the owner.
- ASSIGNMENT & SUBLETTING:** The Tenant shall not assign this Agreement or sublet the Premises or any portion thereof without the prior written consent of the Owner.



- 8. MAINTENANCE, REPAIRS AND ALTERATIONS:** The Tenant acknowledges that the Premises are in good order and repair, unless otherwise indicated herein.
- (a) The Tenant shall be responsible for all repairs, maintenance costs, and service charges.
  - (b) The Tenant shall water and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear of rubbish and weeds when such grounds are part of the Premises and are for the exclusive use of the Tenant.
  - (c) The Tenant shall, at his own expense, maintain the Premises in a clean and sanitary manner including all equipment, appliances, furniture and furnishings therein and shall surrender the Premises at termination hereof, in good condition as received, except for normal wear and tear.
  - (d) All costs for any redecorating or alterations shall be fully paid by the Tenant. The Tenant acknowledges that he will not be given any credit or consideration for such repairs, alterations, or decorations.
- 9. POSSESSION:** If the Owner is unable to deliver possession of the Premises at the commencement date established in Clause 1, the Owner shall not be liable for any damage caused thereby, nor shall this agreement be voided or avoidable but the Tenant shall not be liable for any rent until possession is delivered.
- 10. ENTRY & INSPECTION:** The Tenant shall permit the Owner or the Owner's agent to enter the Premises at reasonable times and upon reasonable notice for the purpose of inspecting the Premises. Should the option to purchase not be exercised, the Tenant agrees to allow the Owner access to show the Premises to prospective tenants. The Owner shall retain a key to the Premises at all times. If the Tenant wishes to change the locks, he shall notify the Owner in writing and provide a new key immediately.
- 11. INSURANCE:** The Tenant must maintain an owner approved "Tenant Insurance" policy and provide ongoing verification of such insurance policy to the Owner.
- 12. INDEMNIFICATION:** The Owner shall not be liable for any damage or injury to the Tenant, or any other person, or to any property, occurring on the Premises, or any part thereof, or in common areas thereof, and the Tenant agrees to hold the Owner harmless from any claims for damages no matter how caused.
- 13. DISHONoured CHEQUES:** A service charge of \$ 100.00 \_\_ will be charged to the Tenant for any dishonoured payment. If the Tenant payments are dishonoured, the Owner shall have the right to demand cash or money orders on all future payments.
- 14. DEFAULT:** Failure by the Tenant to pay the Rent when due or perform any term of this Agreement shall, at the option of the Owner, constitute a **termination of all rights of the Tenant under this Agreement.**
- (a) In the event that the Tenant is absent from the Premises for a period of 5 consecutive days while in default, the Tenant shall, at the option of the Owner, be deemed to have abandoned the Premises and any property, furniture, or furnishings left on the Premises shall be considered abandoned and may be disposed of by the Owner in any manner allowed by the law. If the Owner reasonably believes that such abandoned property, furniture, or furnishings has no value, it may be discarded. All property, furniture, or furnishings on the Premises is hereby subject to a lien in favour of the Owner for payment of all sums due hereunder, to the maximum extent allowed by the law.





(b) Recovery of the Premises by the Owner shall not relieve the Tenant from any obligation hereunder, and the Owner may lease the Premises to others upon such terms and conditions he deems proper and recover from Tenant all sums due hereunder, less any consideration received from others for the use of the Premises, for the remaining term hereof, after paying expenses.

**15. LIQUIDATED DAMAGES:** In the event that the Tenant is in default under this Agreement for more than 30 days, the Option to Purchase established in Schedule A shall immediately be null and void. In addition, all Monthly Credits accumulated, the Initial Option Deposit, and any Additional Option Deposits shall be forfeited as liquidated damages and not as a penalty, in accordance with default provisions established in this Agreement.

**16. LEGAL FEES:** In the event that the Owner prevails in any legal action brought by either party to enforce the terms hereof or relating to the demised Premises, the Owner shall be entitled to all costs incurred in connection with such action, including legal fees of a solicitor and his own client, full indemnity basis. The Owner is entitled to recover an allowance for his time and effort expended with respect to any default recovery proceedings at the rate of \$50.00 per hour. Such allowance is deemed to be reasonable and comparable with what the Owner would pay to a third party for a similar time and effort.

**17. WAIVERS:** No failure of the Owner to enforce any term of this Agreement shall be deemed a waiver, nor shall any acceptance of a partial payment be deemed a waiver of the Owner's right to the full amount of the Rent.

**18. NOTICES:** Any notice which either party may or is required to give, may be given by emailing the same, to the Tenant and to the Owner at the address shown below .

**19. ADDRESS FOR NOTICATIONS:**

Owner: moberle@westpointcapital.ca

Tenant: dwg225@gmail.com

**20. LAWS & REGULATIONS:** The Tenant shall comply with all laws, regulations and requirements of all municipal, provincial, and federal authorities now in force, or which may hereafter be in force, pertaining to the use of the Premises.

**21. HEIRS, ASSIGNS, & SUCCESSORS:** This Agreement shall be binding upon and inures to the benefit of the parties, their heirs, executors, legal representatives and permitted successors or assigns.

**22. TIME:** Time is of the essence in this Agreement.

**23. ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties and supersedes all agreements, representations, warranties, statements, promises and understandings, oral or written, with respect to the subject matter hereof, and no party hereto shall be bound by nor charged with any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or the schedules thereto.


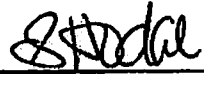
This Agreement may not be amended, altered or modified except by a written agreement signed by all parties.


**24. VALIDITY:** In the event that any provision of this Agreement is held to be invalid or unenforceable, the same shall not affect in any respect whatsoever the validity or enforceability of the remainder of this Agreement.

25. **GOVERNING LAW:** This Agreement has been entered into in the Province of Alberta and all questions with respect to this Agreement and the rights and liabilities of the parties shall be governed by the laws of that Province.

26. **HEADINGS:** Headings have been inserted for reference only and shall have no effect whatsoever on the meaning, construction, or interpretation of the provisions hereof.


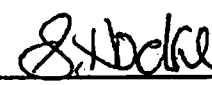
27. **GENDER:** The masculine shall include the feminine and the neuter and the singular shall include the plural and vice-versa, unless the context otherwise requires.


TENANT	TENANT
Signature: <u></u>	Signature: <u></u>
Date: <u>APR. 30 / 2017</u>	Date: <u>Apr. 30, 2017</u>
Print name: <u>D. GROCHOCZEK</u>	Print name: <u>Shawna Hodge.</u>

OWNER
Signature: <u></u>
Date: <u>April 30, 2017</u>
Print name: <u>Matt Oberle</u>

**Schedule A**  
**THE OPTION TO PURCHASE**

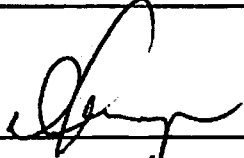
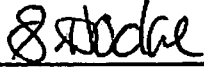
1. **PURCHASE PRICE:** In consideration of \$26,300.00 dollars and so long as the Tenant is not in default hereunder, the Tenant shall have the option to purchase the Premises described in the Agreement (the "Option") for a Purchase Price of \$ 490,000.00 (AMOUNT)
2. **EXERCISE OF OPTION:** The Option shall be exercised by emailing notice to the Owner anytime 45 days prior to the expiration of the lease.  
Notice, if mailed, shall be by registered mail to the Owner and shall be deemed to have been given on the day following the day shown on the post office receipt.  
By exercising the Option, the Tenant states that it his full intention to purchase the property and that the Tenant believes that the required financing (if any) is in place.
3. **EXPIRATION OF OPTION:** The Tenant may exercise the Option at any time, and shall expire 45 days before the last day of the lease, unless exercised prior thereto. Upon expiration, the Owner shall be released from all obligations hereunder and the entire Tenant's rights hereunder, legal or equitable, shall cease.
4. **COMPLETION DATE OF PURCHASE:** The completion date for the purchase shall be 30 days from the date of exercise of the option or such other date as the parties may agree upon.
5. **ACCEPTANCE:** Both parties recognize that this agreement is first and foremost a residential lease and that the Tenant must not be in default under his obligations in order to exercise the Option.


<b>TENANT</b>  Signature: <u></u> Date: <u>APR. 30/2017</u> Print name: <u>D. GROCHOCZEK</u>	<b>TENANT</b>  Signature: <u></u> Date: <u>April 30, 2017</u> Print name: <u>shawna hocke</u>
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<b>OWNER</b>  Signature: <u></u> Date: <u>April 30, 2017</u> Print name: <u>Matt Oberle</u>
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**Schedule B**  
**TERMS OF THE LEASE WITH OPTION TO PURCHASE &  
DISCLOSURES**

1. **TERM:** The lease shall be for a period of 24 months.
2. **RENT:** The Rent shall be \$ 1,200 per month for the entire term of this lease.
3. **MONTHLY OPTION PAYMENT:** The Tenant will pay \$1,000.00 per month in addition to rent to be credited towards the purchase price. In the event the Tenant does not exercise his option to purchase, the monthly option payments will be refunded back to the Tenant.
4. **DISCLOSURE:** Signing of this Lease with Option to Purchase agreement in no way guarantees that the Tenant will qualify for a mortgage or be able to obtain financing to complete the purchase of the Premises.
  - (a) It is the Tenant's responsibility to obtain adequate financing to complete the purchase transaction. The Tenant's overall financial situation at the time of purchase, including employment, credit scores, any additional down payments, as well as interest rates and the state of the economy will be determining factors.
  - (b) The Owner recommends that the Tenant pay the Rent on time, and to do everything he can to achieve a good credit standing to be able to fulfill this Agreement and purchase the property.
  - (c) The Owner recommends that the Tenant start the process of obtaining financing for the property at least six months prior to the expiration of this Agreement.
  - (d) If the Tenant is unable to obtain financing, and as long as he is in good standing with timely Rent payments, the Owner will consider negotiating a new lease agreement for up to an additional (one) 1 year.
  - (e) The Owner will do everything reasonably possible within his reach to help the Tenant complete the Option to Purchase.

<b>TENANT</b>  Signature: <u></u> Date: <u>APR. 30/2017</u> Print name: <u>D. GROCHOCKI</u>	<b>TENANT</b>  Signature: <u></u> Date: <u>APR. 30, 2017</u> Print name: <u>Shauna Hodre</u>
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<b>OWNER</b>  Signature: <u></u> Date: <u>April 30, 2017</u> Print name: <u>Matt Oberle</u>
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**Schedule C  
Utilities Agreement**

This Agreement is to outline responsibilities for all utilities at the following property:

812 3rd Street\_SW, Drumheller, AB

The tenant agrees to continue to have the Power, Water & Gas Utilities, and all other utilities in his/her name for the above mentioned property for the duration of this lease Agreement.

This agreement is made between,

\_\_\_ 1780384 Alberta Ltd \_\_\_  
As the **Landlord**,

AND

\_\_\_ Dariusz Grochocki and Shawna Hodge \_\_\_  
As **Tenant**

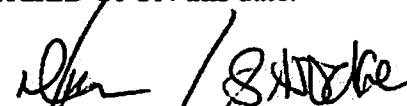
- Failure to provide timely payments to the appropriate utility vendor is to be treated as an outstanding arrears amount that can be recoverable by the **Landlord** just as if it were rent owing. (this at the sole discretion of the landlord)
- The utilities are to be paid in a timely manner as tenant receives the bills from the providers
- This agreement shall be in effect for the entire term of the lease agreement.
- The Tenant authorizes each and every utility company to release information to the Landlord upon request from the landlord at any time.

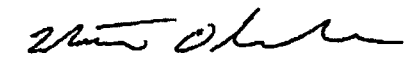
Additional Items:

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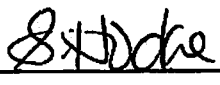
AGREED UPON this date:


  
\_\_\_\_\_  
Utilities Tenant

  
\_\_\_\_\_  
Landlord (or Approved Agent)

The undersigned Tenant accepts and understands all terms of the Residential Lease with Option to Purchase agreement and hereby acknowledges receipt of a copy hereof.

The undersigned Owner accepts the foregoing agreement and acknowledges receipt of a copy hereof.

<b>TENANT</b>	<b>TENANT</b>
Signature: <u></u>	Signature: <u></u>
Date: <u>APR. 30/2017</u>	Date: <u>April 30, 2017</u>
Print name: <u>D. GROCHOCZI</u>	Print name: <u>Shawna Hocke</u>

<b>OWNER</b>
Signature: <u></u>
Date: <u>April 30, 2017</u>
Print name: <u>Matt Oberle</u>