Grant Thornton

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Clerk's Stamp

JUDICIAL CENTRE OF CALGARY

FILED

Oct 26, 2020

by Email

CLERK OF THE COURT

COM
Nov. 3, 2020
Justice Horner

COURT FILE NUMBER:	**1201-15430**
COURT:	**COURT OF QUEEN'S BENCH OF ALBERTA**
JUDICIAL CENTRE:	**CALGARY**
PLAINTIFF:	**STANLEY EISENBERG, BRENDA EISENBERG, JACK EISENBERG, LYNN EISENBERG and EISENBERG'S PROPERTIES LTD.**
DEFENDANT:	**910234 ALBERTA LTD., RANDY CALUMSKY, THERESA CALMUSKY, KYLE CALMUSKY, CALE HUMENIUK, and JORDAN RINTOUL**
DOCUMENT:	**RECEIVER'S SIXTEENTH REPORT OCTOBER 26, 2020**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

RECEIVER
Grant Thornton Limited
1100, 332 – 6th Avenue SW
Calgary, AB T2P 0B2

Attention: Andrew Basi / Breanne Barker
Telephone: (403) 296-2992 / (403) 260-2594
Facsimile: (403) 260-2571
E-Mail: Andrew.Basi@ca.gt.com / Breanne.Barker@ca.gt.com

COUNSEL
Field LLP
400, 444 – 7th Avenue SW
Calgary, AB T2P 0X8

Attention: Douglas S. Nishimura / Trevor Batty
Telephone: (403 260-8548 / (403) 260-8537
Facsimile: (403) 264-7084
E-Mail: DNishimura@fieldlaw.com / TBatty@fieldlaw.com

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Listing of Appendices

Introduction

1. On December 12, 2012, the Court of Queen's Bench of Alberta (the "**Court**") granted an order appointing Grant Thornton Limited (the "**Receiver**") as receiver of 910234 Alberta Ltd. ("**910**" or the "**Company**"). On January 14, 2013, the Court granted an Amended and Restated Receivership Order, which expanded the Receiver's powers.

2. The Receiver has filed a total of fifteen reports with the Court dealing with various matters related to the receivership proceedings.

3. The purpose of this report (the "**Receiver's Sixteenth Report**") is to provide this Court and other interested parties with information on: a) the Receiver's activities since its last report and b) the Receiver's application seeking approval of a judicial sale of the property municipally described as 110 Hawks Landing Drive, Priddis, Alberta and legally described as:

   PLAN 0410490
   BLOCK 4
   LOT 13
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   (the "**Priddis Property**").

Limitations of Report

4. The information contained in the Receiver's Sixteenth Report has been obtained from the records of the Company, publicly available information, and/or is based upon discussions with and representations made by the Company's management and other professional advisors. The information was not audited nor otherwise verified by the Receiver as to its accuracy or completeness, nor has it 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 report. The Receiver assumes no responsibility or liability for any loss or damage occasioned to any party because of the circulation, publication, reproduction, or use of the Receiver's Sixteenth Report.

5. Copies of the Receiver's reports, orders granted and other documents relevant to the receivership proceedings have been made publicly available on the Receiver's website at: www.grantthornton.ca/creditorupdates.

6. Capitalized terms not defined herein shall adopt the meaning as defined in the Receiver's prior reports. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. The Receiver recommends that this Receiver's Sixteenth Report be read in conjunction with the Receiver's prior reports.

Receiver's Activities

7. The Receiver's activities since its last report have included, among other things:

    a. an interim distribution to the Company's creditors pursuant to the April 8, 2020 Court Order; and

    b. continued efforts to realize on the amounts due pursuant to the Settlement Agreement (as defined below).

Background on Settlement Agreement and Priddis Property

8. The Receiver has discussed the Settlement Agreement and the Priddis Property in its prior reports to the Court. The background on this matter is summarized below to assist the Court.

9. Pursuant to a settlement agreement ("**Settlement Agreement**") between the Receiver and Theresa Calmusky ("**Ms. Calmusky**"), Gary Calmusky, and Mary Calmusky, fully executed by all parties on November 2, 2015, a copy which is attached to this report as **Appendix 1**, it was agreed that:

    a. Ms. Calmusky grant the Receiver a second collateral mortgage in the amount of $150,000 ("**Settlement Amount**") on the Priddis Property, subject only to the existing mortgage of the Toronto-Dominion Bank ("**TD**") in the amount of $925,000 ("**TD Mortgage**") and other permitted encumbrances as at the date of the settlement;

    b. Ms. Calmusky was to list the Priddis Property immediately for sale with a realtor acceptable to the Receiver. The Priddis Property is currently listed with John Hripko, a licensed real estate agent ("**Listing Agent**"); and

    c. upon the sale of the Priddis Property, Ms. Calmusky was to pay the sale proceeds (subject to repayment of the TD Mortgage and available proceeds after deducting closing costs) to the Receiver up to the amount of the obligations owing pursuant to the Settlement Agreement.

10. A copy of a Certificate of Title dated October 23, 2020, confirming the TD Mortgage and Receiver's second mortgage on the Priddis Property, is attached as **Appendix 2**.

11. The outstanding balance on the TD Mortgage (line of credit mortgage), as at July 31, 2020, was $923,818 ("**TD Mortgage Statement**"). The TD Mortgage Statement is attached as **Appendix 3**. The Receiver is unaware of any material changes to the TD Mortgage balance since the date of the TD Mortgage Statement.

12. As outlined in the Receiver's Thirteenth and Fourteenth Reports, the Receiver has experienced challenges in obtaining information and cooperation from Ms. Calmusky. As a result, the Receiver previously sought relief for a judicial sale of the Priddis Property. On October 3, 2018, the Court granted an order which directed further information and / or cooperation from Ms. Calmusky and other parties in relation to the Priddis Property and the sale thereof.

13. As outlined in the Receiver's Fourteenth Report, it became uncertain at that time whether a sale of the Priddis Property would result in recovery to the Receiver given information available, market conditions, and the TD Mortgage. As a result of the Receiver's application, the Court issued an order on December 17, 2019, with the following relief:

    a. the Respondent, Theresa Calmusky, is ordered to pay the sum of $150,000 to the Receiver forthwith;

    b. the Order shall be stayed until March 17, 2020;

    c. should Theresa Calmusky fail to pay the amounts set forth herein on or before March 17, 2020, the Receiver shall be entitled to enforce this Order in any manner it sees fit, including, but not limited to, an Application for Judicial Sale of the Priddis Property; and

    d. the Receiver was awarded costs of $1,000.

14. The Settlement Amount plus costs awarded remains outstanding from Ms. Calmusky at the date of this report.

Recent Sale Activity and Interest in the Priddis Property

15. Based on information provided by the Listing Agent, the Receiver understands that, since March 2020, Ms. Calmusky had been refusing to allow showings to interested parties in the Priddis Property. Furthermore, the Receiver is also aware of a reasonable offer presented which was declined by Ms. Calmusky, with no counter offer. Attached as **Confidential Appendix 4** is correspondence received from the Listing Agent.

16. Furthermore, on October 24, 2020 the Receiver was presented with an offer to purchase to Ms. Calmusky from the same party referenced in Confidential Appendix 4. Attached as **Confidential Appendix 5** is a copy of this offer for the Court's consideration in the Receiver's application for a judicial sale of the Priddis Property.

17. The Receiver respectfully recommends that Confidential Appendix 4 and Confidential Appendix 5 remain confidential and sealed at this time not to prejudice any party on the sale of the Priddis Property.

Judicial Sale of the Priddis Property

18. The Receiver requires a resolution to this matter, which has been ongoing since 2015, in order to conclude the administration.

19. As a result of the foregoing, the Receiver respectfully requests this Court's approval of a judicial sale order:

    a. directing the judicial listing of the Property with a licensed real estate agent selected at the sole discretion of the Receiver, and cancelling any current listing agreement;

    b. allowing the Receiver's selected agent to post a "FOR SALE" sign on the Property;

    c. during the period of the judicial listing, directing Ms. Calmusky's and / or any person in possession of the Property to cooperate with the selected agent, by allowing the agent and any representative of the agent access to the Property for the purposes of showing the Property to prospective purchasers, after receiving 24 hours written notice; and/or

    d. any such further and other relief as the Court deems necessary.

20. Based on discussions wit the Listing Agent and recent interest in the Priddis Property, including offers submitted, the Receiver recommends a list price of $1,200,000 or such other amount as may be recommended by the judicial realtor.

Recommendation

21. Based on this report, the Receiver respectfully recommends that this Court approve:

    a. A judicial sale of the Priddis Property; and

    b. the sealing of Confidential Appendix 4 and Confidential Appendix 5.

DATED at Calgary Alberta, this 26th day of October 2020.

Grant Thornton Limited,
in its capacity as receiver of
910234 Alberta Ltd.
and not in its personal capacity

Per: Andrew Basi, CPA, CA, CIRP, LIT
Senior Vice President

Per: Breanne Barker, CPA, CIRP, LIT
Manager

SETTLEMENT AGREEMENT

Between:

Grant Thornton Inc.,
in its capacity as Receiver-Manager (the "**Receiver**")
of 910234 Alberta Ltd. ("**910**")

and

Theresa Calmusky, Gary Calmusky and Mary Calmusky
(the "**Calmuskys**")

WHEREAS the Receiver holds judgments in favour of the Estate of 910, against the Calmuskys;

AND WHEREAS the Calmuskys have made claims against the Estate of 910, which claims were rejected by the Trustee in Bankruptcy of 910;

AND WHEREAS the Receiver has commenced enforcement procedures with respect to the judgments;

AND WHEREAS the parties wish to settle the obligations of the Calmuskys to the Estate of 910 and all other disputes related to the Estate of 910.

IN CONSIDERATION of the covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby admitted;

THE PARTIES agree as follows:

1. Theresa Calmusky agrees to pay the sum of $150,000 (the "**Settlement Payment**") to the Receiver in full satisfaction of all claims against the Calmuskys by the Estate of 910.

2. As security for the Settlement Payment, Theresa Calmusky shall grant a collateral mortgage (the "**Mortgage**") in that amount against the real property owned by Theresa Calmusky, municipally described as 110 Hawk's Landing and legally described as Plan 0410490, Block 4, Lot 13 (the "**Property**").

3. The Mortgage will be a second mortgage, subject only to the existing prior mortgage and encumbrances listed on title as of the present date, in the amounts listed as of the present date. Theresa Calmusky covenants and agrees that no encumbrances ranking higher than the Mortgage will be created or registered and that no further advances on the existing first mortgage will be made.

4. Theresa Calmusky shall immediately list the Property for sale with a realtor acceptable to the Receiver, acting reasonably. Any sale of the Property by Theresa Calmusky shall be subject to the prior approval and consent of the Receiver, acting reasonably.

5. Upon the sale of the Property, Theresa Calmusky shall cause the net proceeds of such sale, after payment of realtor fees, commissions and prior encumbrances to be paid to the Receiver, to the extent required to satisfy this Settlement Agreement and the Promissory Note. Should the

proceeds be insufficient to complete the Settlement Payment, Theresa Calmusky shall be indebted to the Receiver for the deficiency, payable on demand.

6. Theresa Calmusky shall obtain a waiver of any dower rights held by Randy Calmusky with respect to the Property to give effect to this Settlement Agreement.

7. The Parties shall exchange releases with respect to any claims against each other as of the present date, including any claims related to the judgments and any disputed claims against the Receiver and the Estate of 910 by the Calmuskys.

8. The Releases in favour of the Calmuskys shall be held in trust and may not be used until full and final payment of the Settlement Payment is made. The Release in favour of the Receiver and the Estate of 910 shall be effective immediately as of the date of this Settlement Agreement.

9. To the extent not already withdrawn, the Calmuskys shall immediately withdraw or discontinue any existing actions or applications with respect to claims against the Estate of 910. Upon registration of the Mortgage, the Receiver shall cause the Estate of 910 to adjourn any applications related to the enforcement of the Judgments *sine die* and will withdraw or discontinue such actions and shall discharge any existing writs against Theresa Calmusky, Gary Calmusky and Mary Calmusky upon payment of the Settlement Payment.

10. This Settlement Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

11. This Settlement Agreement may be executed in counterpart by the parties hereto and may be transmitted via facsimile or email; each executed counterpart will be deemed to be an original and the counterparts together will constitute one and the same Settlement Agreement.

DATED the 2 day of Nov, 2015

Per: ______________________
Grant Thornton Inc., in its capacity as
Receiver-Manager of 910234 Alberta Ltd.

______________________ ______________________
Witness Gary Calmusky

______________________ ______________________
Witness Gary Calmusky,
as Executor of the Estate of Mary Calmusky

______________________ ______________________
Witness Theresa Calmusky

proceeds be insufficient to complete the Settlement Payment, Theresa Calmusky shall be indebted to the Receiver for the deficiency, payable on demand.

6. Theresa Calmusky shall obtain a waiver of any dower rights held by Randy Calmusky with respect to the Property to give effect to this Settlement Agreement.

7. The Parties shall exchange releases with respect to any claims against each other as of the present date, including any claims related to the judgments and any disputed claims against the Receiver and the Estate of 910 by the Calmuskys.

8. The Releases in favour of the Calmuskys shall be held in trust and may not be used until full and final payment of the Settlement Payment is made. The Release in favour of the Receiver and the Estate of 910 shall be effective immediately as of the date of this Settlement Agreement.

9. To the extent not already withdrawn, the Calmuskys shall immediately withdraw or discontinue any existing actions or applications with respect to claims against the Estate of 910. Upon registration of the Mortgage, the Receiver shall cause the Estate of 910 to adjourn any applications related to the enforcement of the Judgments *sine die* and will withdraw or discontinue such actions and shall discharge any existing writs against Theresa Calmusky, Gary Calmusky and Mary Calmusky upon payment of the Settlement Payment.

10. This Settlement Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

11. This Settlement Agreement may be executed in counterpart by the parties hereto and may be transmitted via facsimile or email; each executed counterpart will be deemed to be an original and the counterparts together will constitute one and the same Settlement Agreement.

DATED the _____ day of May, 2015

Per:______________________________

Grant Thornton Inc., in its capacity as
Receiver-Manager of 910234 Alberta Ltd.

____
Witness

____
Gary Calmusky

____
Witness

____
Gary Calmusky,
as Executor of the Estate of Mary Calmusky

____
Witness

____
Theresa Calmusky

proceeds be insufficient to complete the Settlement Payment, Theresa Calmusky shall be indebted to the Receiver for the deficiency, payable on demand.

6. Theresa Calmusky shall obtain a waiver of any dower rights held by Randy Calmusky with respect to the Property to give effect to this Settlement Agreement.

7. The Parties shall exchange releases with respect to any claims against each other as of the present date, including any claims related to the judgments and any disputed claims against the Receiver and the Estate of 910 by the Calmuskys.

8. The Releases in favour of the Calmuskys shall be held in trust and may not be used until full and final payment of the Settlement Payment is made. The Release in favour of the Receiver and the Estate of 910 shall be effective immediately as of the date of this Settlement Agreement.

9. To the extent not already withdrawn, the Calmuskys shall immediately withdraw or discontinue any existing actions or applications with respect to claims against the Estate of 910. Upon registration of the Mortgage, the Receiver shall cause the Estate of 910 to adjourn any applications related to the enforcement of the Judgments *sine die* and will withdraw or discontinue such actions and shall discharge any existing writs against Theresa Calmusky, Gary Calmusky and Mary Calmusky upon payment of the Settlement Payment.

10. This Settlement Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

11. This Settlement Agreement may be executed in counterpart by the parties hereto and may be transmitted via facsimile or email; each executed counterpart will be deemed to be an original and the counterparts together will constitute one and the same Settlement Agreement.

RC August

DATED the 17 day of ~~May~~, 2015

Per:______________________________
Grant Thornton Inc., in its capacity as
Receiver-Manager of 910234 Alberta Ltd.

Witness

Gary Calmusky

Witness

Gary Calmusky,
as Executor of the Estate of Mary Calmusky

Witness

Theresa Calmusky

AFFIDAVIT OF EXECUTION

I, Robin Osborne, of the City of Thorold, in the Province of Ontario, MAKE OATH AND SAY:

1. THAT I was personally present and did see Gary Calmusky, as Executor of the Estate of Mary Calmusky pursuant to a Power of Attorney, named in the within instrument, who are personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. THAT the same was executed at Thorold, in the Province of Ontario, and that I am the subscribing witness thereto.

3. THAT I know the said person and he is in my belief, of the full age of eighteen.

SWORN BEFORE ME at the City of Thorold, in the Province of Ontario, this 2nd of ~~May,~~ Sept. 2015.	)))))
[signature] A Notary Public in and for the Province of Ontario	[signature: Robin Osborne]

AFFIDAVIT OF EXECUTION

I, Robin Osborne, of the City of Thorold, in the Province of Ontario, MAKE OATH AND SAY:

1. THAT I was personally present and did see Gary Calmusky, named in the within instrument, who are personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. THAT the same was executed at Thorold, in the Province of Ontario, and that I am the subscribing witness thereto.

3. THAT I know the said person and he is in my belief, of the full age of eighteen.

SWORN BEFORE ME at the City of Thorold, in the Province of Ontario, this 2nd of ~~May,~~ Sept. 2015.	)))))
[signature] A Notary Public in and for the Province of Ontario	[signature: Robin Osborne]

AFFIDAVIT OF EXECUTION

I, Robin Osborne, of the City of Thorold, in the Province of Ontario, MAKE OATH AND SAY:

1. THAT I was personally present and did see Gary Calmusky, in his personal capacity and in his capacity as Executor of the Estate of Mary Calmusky pursuant to a Power of Attorney, named in the within instrument, who are personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. THAT the same was executed at Thorold, in the Province of Ontario, and that I am the subscribing witness thereto.

3. THAT I know the said person and he is in my belief, of the full age of eighteen.

SWORN BEFORE ME at the City of Thorold, in the Province of Ontario, this 2 of ~~May~~ Sept, 2015.

A Notary Public in and for the Province of Ontario

Peter J. Jurmain
Jurmain Law Office
8A Clairmont Street
Thorold, Ontario L2V 1R1
Telephone: 905-227-2829
Fax: 905-227-9206

AFFIDAVIT OF EXECUTION

R.C.

I, RANDY CALMUSKY, of the ~~City of Cal~~gary HAMLET OF PRIDDIS, in the Province of ______________, MAKE OATH AND SAY:

1. THAT I was personally present and did see Theresa Calmusky, named in the within instrument, who are personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. THAT the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.

3. THAT I know the said person and she is in my belief, of the full age of eighteen.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta, this 17th of ~~May~~ August,)
2015.)

A Commissioner for Oaths in and for the Province of Alberta

ELLY PARROTT
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires 05•30•2017

C2121357.DOCX;2

MORTGAGE
"The Land Titles Act"

THERESA CALMUSKY (the "**Mortgagor**"), of 110 Hawk's Landing Drive, Priddis, Alberta, T0L 1W0, is the registered owner of an estate in fee simple, in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum written or endorsed on the Certificate of Title, in the following lands:

PLAN 0410490
BLOCK 4
LOT 13
EXCEPTING THEREOUT ALL MINE AND MINERALS

(the "**Lands**")

In Consideration of the sum of ONE HUNDRED AND FIFTY THOUSAND 00/100 ($150,000.00) DOLLARS (the "**Principal Sum**") owed to **GRANT THORNTON LIMITED.**, in its capacity as Receiver/Manager of 910234 Alberta Ltd., of 900, 833 - 4 Avenue SW, Calgary AB T2P 3T5, (the "**Mortgagee**") by virtue of a settlement agreement between Mortgagor and the Mortgagee, the Mortgagor covenants with the Mortgagee as follows:

1. REPAYMENT

The Mortgagor shall pay to the Mortgagee the Principal Sum outstanding without interest forthwith upon sale of the Lands at the Mortgagee's address set forth above, or such other address as the Mortgagee shall direct.

2. RESTRICTION AGAINST TRANSFER

In the event the Mortgagor sells or otherwise disposes of all or a portion of the Lands, the Principal Sum without interest secured by this Mortgage shall become immediately due and payable.

3. REPAIR

The Mortgagor shall keep the Lands and the buildings, erections and improvements in good condition and repair, and the Mortgagee may enter upon and inspect the Lands. The reasonable cost of such inspection shall be payable by the Mortgagor on demand, and if not demanded or if not paid immediately upon demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands. If the Mortgagor fails to keep the Lands in good condition and repair and commits or permits any act of waste on the Lands (as to which the Mortgagee shall be sole judge), the Principal Sum shall become due and payable. In default of payment of any amounts owing under this Mortgage, the Mortgagor may enter upon the Lands and may make such repairs as it deems necessary. The costs of such repairs shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands.

4. INSURANCE

(a) The Mortgagor shall insure each and every building or improvement now or hereafter placed or erected upon the Lands, and keep them constantly insured against loss or damage by fire, and as the Mortgagee shall require, insure against loss or damage by tempest, tornado, cyclone, flood or lightning to the full insurable value both during construction, and thereafter.

(b) At the request of the Mortgagee, the Mortgagor will carry additional insurance against any other insurable risks as the Mortgagee may require.

(c) Every policy of insurance shall be effected on such terms, with such insurer and through such agency as may be approved by the Mortgagee subject to the rights of any creditor holding a mortgage ranking in priority to the Mortgage. The loss under each policy, or any renewals shall be made payable to the Mortgagee with preference in its favour over any other person, and any form of assignment shall be in form satisfactory to the Mortgagee. Prior to any advance under this Mortgage, the Mortgagor shall deliver to the Mortgagee the policy or policies evidencing such insurance. At least 15 days prior to the termination of such insurance the Mortgagor shall deliver to the Mortgagee evidence of renewal or replacement.

(d) The Mortgagee may require any insurance upon the buildings and improvements to be cancelled and new insurance effected, all at the expense of the Mortgagor. Any amount paid in respect of such insurance by the Mortgagee shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee and shall be a charge upon the lands. In the event the Mortgagor is unable for any reason to effect or maintain new insurance, or in the case of the cancellation of any insurance upon the buildings and improvements for any cause whatsoever, the outstanding balance of Principal Sum secured and not previously paid shall immediately become due and payable.

(e) Notwithstanding anything to the contrary contained in this Mortgage, in the event that the Mortgagor fails to execute, perform or maintain any obligation with respect to insurance, the Mortgagee may effect such insurance as it deems proper without the consent of the Mortgagor. Such expense shall be payable immediately upon demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately upon demand shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands. The Mortgagee shall not be responsible for any failure to have insurance placed, or for any loss arising out of any defect in any policy or because of failure of any insurance company to pay for any loss insured against or because of failure of the Mortgagee to insure to the full insurable value, or for any reason whatsoever.

(f) In case of loss or damage, the Mortgagor shall immediately notify the Mortgagee and shall provide the Mortgagee with all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. The Mortgagee shall have the right to apply the insurance funds towards repairing, rebuilding or reinstating any buildings or improvements, or in or toward the payment of the outstanding balance of the Principal Sum secured under this Mortgage, notwithstanding that no amount at such time may be due and payable under the terms of repayment, and any other sum owing to the Mortgagee. No damage may be repaired or any reconstruction effected without the approval of the Mortgagee.

(g) The Mortgagor will not do or omit or cause anything to be done or omitted which shall render the insurance under this Mortgage to be void or voidable.

5. TAXES

(a) The Mortgagor will pay, as they fall due, all taxes, rates, liens, charges, encumbrances, claims or assessments which are now or may hereafter be imposed, charged or levied upon the Lands (the

"**Taxes**"), or on this Mortgage, or on the Mortgagee in respect of this Mortgage. Upon the request of the Mortgagee, the Mortgagor will produce for the Mortgagee's inspection, receipted bills with regard to the payment of the Taxes or such other proof as the Mortgagee may require, in satisfactory form to the Mortgagee and at the Mortgagor' expense, as proof that all such payments have been made in full.

(b) With respect to municipal taxes, school taxes, and local improvement assessments (the "**Municipal Taxes**"), which are not or may hereafter be imposed, charged or levied upon the Lands:

(i) The Mortgagee may deduct from any advance of the monies secured by this Mortgage, an amount sufficient to pay the Municipal Taxes that have become or will become due and payable and are unpaid at the date of any advance;

(ii) The Mortgagor shall pay all Municipal Taxes as they fall due, and shall, at the Mortgagee's request, forward to the Mortgagee receipts as proof of such payments.

(c) In the event the Mortgagor fails to pay any Taxes or Municipal Taxes, the Mortgagee may pay such Taxes or Municipal Taxes, and all monies not expended by the Mortgagee for any such purposes shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands.

(d) The Mortgagor shall immediately upon receipt, deliver to the Mortgagee, any and all assessment notices, tax notices, or other notices affecting the imposition of taxes with respect to the Lands.

(e) The Mortgagor agrees that should penalties of any nature whatsoever be imposed for whatever reason, the Mortgagor shall assume full responsibility for such penalties.

6. FIXTURES

All erections, buildings, improvements or chattels, fixed or otherwise, now or hereafter placed upon the Lands (including without limitation, all fences, aerials, heating, lighting, ventilating and air-conditioning apparatus, elevators and machinery, whether movable or stationary with the proper cooling and refrigeration equipment, radiators and covers, fixed mirrors, window blinds, fitted blinds, storm doors, storm windows, window screens and screen doors, shutters and awnings and all wall to wall floor covering, and all growing things) are fixtures, and form part of or are deemed to form part of the realty and of the security taken under this Mortgage. In the event of any loss or damage to such fixtures, the Mortgagor shall repair, rebuild, reinstate or restore the fixtures within sixty (60) days, failure of which will constitute a breach of covenant under this Mortgage. The Mortgagee shall be entitled, but shall not be obligated to repair, rebuild, reinstate or restore the fixture. All monies expended by the Mortgagee in that behalf shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands.

7. MORTGAGOR' COVENANTS

The Mortgagor makes the following covenants:

(a) The Mortgagor has good title in fee simple to the Lands;

(b) The Mortgagor has the right to Mortgage the Lands;

(c) The Mortgagor will pay the outstanding balance of the Principal Sum secured under this Mortgage, and shall observe all the covenants contained in this Mortgage;

(d) In the event of default, the Mortgagee shall have quiet possession of the Lands, free from all encumbrances;

(e) The Mortgagor will execute such further assurances of the Lands as may be requisite;

(f) The Mortgagor has done no act to encumber the Lands in priority to this Mortgage except for permitted encumbrances.

8. DEFAULT

In the event of the Mortgagor' default in any of the covenants, agreements, provisos or stipulations expressed or implied:

(a) The Mortgagee may observe and perform or cause to be observed and performed, such covenants, agreements, provisos or stipulations. All monies expended by the Mortgagee for any such purposes shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands. Nothing contained in this Mortgage shall be deemed to hold the Mortgagee responsible for, and the Mortgagee shall not be responsible for any loss arising out of its observance or performance, or failure to observe or perform, or its agents' or employees' observance or performance, or failure to observe or perform any such covenants, agreements, provisos or stipulations;

(b) The Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and retain a solicitor to examine and report upon the title to the Lands;

(c) The Mortgagee may without the consent of any person, enter upon the Lands and may make such arrangements for completing construction of, repairing or putting in order, any building or other improvements on the Lands, or for taking care of, leasing, collecting the rents and managing generally the Lands as it may deem expedient;

(d) The Mortgagor irrevocably authorizes and empowers the Mortgagee to appoint a receiver of the mortgaged premises, and from time to time to remove such receiver and similarly appoint another in his stead. The receiver shall be deemed to be the agent of the Mortgagor and not the Mortgagee and may enter on the Lands and make arrangements for completing the construction, repairing or putting in order any buildings or other improvements on the Lands, or for inspecting, taking care of, managing, leasing and collecting any rents;

(e) The Mortgagee may sell or dispose of the Lands, with or without entering into possession, without notice, unless the giving of notice shall be required by law. All the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute, or by this Mortgage or both, may be exercised. The Mortgagee may sell or otherwise dispose of any part of the Lands on such terms of credit or part cash and part credit secured by contract or agreement for sale or mortgage or otherwise, as shall to the Mortgagee appear to be most advantageous, and for such prices, as in the opinion of the Mortgagee, can reasonably be obtained. In the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any monies until actually received by it in cash. Sales may be made from time to time of parts of the Lands to satisfy parts of the outstanding balance of the Principal Sum, as the Mortgagee deems appropriate. The Mortgagee may make stipulations as to title or evidences or commencement of title, or otherwise, as the Mortgagee shall deem proper, and may vary or rescind any contract or sale made by virtue of these presents, and may buy in and resell the Lands or any part of the Lands, either by private sale or public auction, without being responsible for any expense, loss or deficiency on resale, may sell on such terms as to cash or credit or otherwise as to it shall deem appropriate. The Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary;

(f) The whole of the outstanding balance of the Principal Sum secured under this Mortgage, shall, at the option of the Mortgagee become due and payable.

9. WAIVER OF DEFAULT

The Mortgagee may, in writing, at any time or times after default, waive such default, but any waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

10. COSTS

All solicitors', inspectors', valuators' and surveyors' fees and expenses relating to the drawing and registering of this Mortgage or any collateral security documentation, or any renewals thereof, and for examining the Lands and the title to the Lands, and for making or maintaining this Mortgage as a first charge on the Lands, together with all sums which the Mortgagee may, and does from time to time advance, expend or incur as principal, insurance premiums, taxes, rates, or in or toward payment of any liens, charges, encumbrances of claims charged or to be charged against the Lands, or in maintaining, repairing, restoring or completing the Lands, and in inspecting, leasing managing and improving the Lands, including the price or value of any goods of any sort of description supplied to be used on the Lands, and in protecting, exercising, enforcing or attempting to protect, exercise or enforce or in pursuance of any right, power, remedy or purpose, and any legal costs between solicitor and client, and also an allowance for the time, work and expense of the Mortgagee, or of any agent, solicitor or servant of the Mortgagee, for any purpose here provided and whether such sums are advanced or insured with the Mortgagor' knowledge, consent, concurrence or acquiescence or otherwise, shall be payable on demand by the Mortgagor to the Mortgagee, and if not demanded or if not paid immediately on demand, shall be added to the Principal Sum and be immediately paid by the Mortgagor to the Mortgagee, and shall be a charge upon the Lands.

11. EXTENSION

No extension of time or consent to alteration of principal repayments given by the Mortgagee to the Mortgagor, or his assigns, or anyone claiming under him, or other dealing by the Mortgagee with the owner of the equity of redemption in the Lands shall prejudice or affect the rights of the Mortgagee against the Mortgagor, or any other person.

12. RELEASE

The Mortgagee may release the Mortgagor or anyone claiming under him or any other person or persons liable for any outstanding balance secured under this Mortgage. The Mortgagee may surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may apply all monies received from the Mortgagor, or others or from securities upon such part of the Mortgage indebtedness as the Mortgagee may think best, without prejudice to or in any way limiting or lessening the liability of the Lands or of any surety or obligor or any other person liable for payment. The Mortgagee shall incur no liability to any person by reason of anything contained in this Mortgage. Any covenant, agreement or liability of the Mortgagor shall continue in full force as long as any monies remain unpaid under this Mortgage but the Mortgagee shall not be bound to exhaust its resources or revenue against the Lands or the Mortgagor, or other parties, or the securities it may hold before being entitled to obtain from any surety or obligor the amounts guaranteed or secured.

13. JUDGMENT

The taking of a judgment or judgments under any of the covenants contained in this Mortgage shall not operate as a merger of the covenants. The exercise or attempted exercise of one or more of the Mortgagee's rights or remedies under this Mortgage shall not affect, delay or prejudice its other rights or remedies or operate as a waiver. Any or all of the Mortgagee's rights or remedies may be exercised concurrently.

14. PRIOR MORTGAGES

In the event the Mortgagor defaults in the observance or the performance of any of the covenants, provisos, agreements or conditions contained in any Mortgage to which this Mortgage is subject, then the outstanding balance of the Principal Sum secured under this Mortgage shall immediately become due and payable.

15. ALTERATIONS OR ADDITIONS

The Mortgagor shall not make or permit to be made any alterations or additions to the Lands or use the Lands or permit them to be used for the purpose of any business, trade or manufacture of any description, without the consent of the Mortgagee. Upon the registration of any lien against the Lands the outstanding balance of the Principal Sum secured under this Mortgage shall immediately become due and payable.

16. DISCHARGE

The Mortgagee shall have a reasonable time after payment in full of the outstanding balance secured under this Mortgage to prepare and execute a discharge of this Mortgage (all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor).

17. AUTHORITY

Any discretion, option, decision or opinion on the part of the Mortgagee to be exercised or formed, shall be sufficiently exercised or formed if done or subsequently ratified by the manager or acting manager for the time being, of the Mortgagee's office in Alberta, or any officer or agent appointed by the Mortgagee for that purpose.

18. REGISTRATION OF RENEWAL

This Mortgage may be renewed at the option of the Mortgagee, on such terms and conditions as the Mortgagee may, in its sole discretion, deem appropriate. Any agreement for the renewal of this Mortgage prior to the execution of a discharge, need not be registered in the Land Titles Office, but shall be effectual and binding upon the Mortgagor and upon any subsequent Mortgagor of the Lands or any part of the Lands when deposited in or held in the offices of the Mortgagee, either in the Province of Alberta, or elsewhere.

19. SUBROGATION

If any of the monies advanced under this Mortgage shall be applied in the payment of any existing charge or encumbrance against the Lands, the Mortgagee may, at its option, be subrogated to all the rights of, and stand in the position of, and be entitled to all the equities of the person or persons entitled to such charge or encumbrance, whether such charge or encumbrance shall or shall not have been discharged. The decision of the Mortgagee as to the validity or amount of any advance or disbursements made under this mortgage, or of any claim so paid off, shall be final and binding upon the Mortgagor.

20. MORTGAGEE IN POSSESSION

The Mortgagee shall not be deemed a Mortgagee in possession by reason of the granting of this Mortgage or the exercise by the Mortgagee of any of the rights or remedies granted or observed.

21. MORTGAGE

For the better securing the Mortgagee the repayment of the outstanding balance secured under this Mortgage, the Mortgagor mortgages to the Mortgagee all of the Mortgagor' estate and interest in the Lands.

22. LAND TITLES ACT

This Mortgage is made with reference to and under The *Land Titles Act* of the Province of Alberta.

23. HEADINGS

The article headings and marginal notes contained in this Mortgage are for reference purposes only, and shall not affect, in any way, the meaning or interpretation of this Mortgage.

24. GENERAL

Wherever the singular number or masculine gender is used in this Mortgage, it shall be construed as including the plural and feminine and neuter respectively, where the fact or context so requires. The heirs, executors, administrators, successors and assigns of any parties executing the Mortgage are jointly and severally bound by the covenants and agreements, stipulations and provisos. The covenants, agreements, stipulations and provisos stated in this Mortgage shall be in addition to those granted or implied by statute.

IN WITNESS WHEREOF WE have executed this document at the City of of Calgary, in the Province of Alberta, this 17 day of ~~May,~~ 2015.

RC August

SIGNED by
The above-named Mortgagor in the presence of

THERESA CALMUSKY

AFFIDAVIT OF EXECUTION

CANADA	)	I, RANDY CALMUSKY,
PROVINCE OF ALBERTA	)	of the HAMLET of PRIDDIS
	)	in the Province of Alberta
TO WIT:	)	MAKE OATH AND SAY THAT:

1. I was personally present and did see **Theresa Calmusky** named in the annexed Instrument, who are personally known to me to be the persons named therein, duly sign and execute the same for the purpose named therein.

2. The same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.

3. I know said parties, and they are in my belief of the full age of eighteen years.

SWORN before me at the CITY of CALGARY
in the Province of Alberta, this 17 day of
~~May,~~ 2015.
August

A Commissioner for Oaths in and for
the Province of Alberta

ELLY PARROTT
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires 05•30•2017

C2109248.DOC;2

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0030 343 024	0410490;4;13	111 108 435

LEGAL DESCRIPTION
PLAN 0410490
BLOCK 4
LOT 13
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;3;22;29;S
ATS REFERENCE: 5;3;22;29;NW

MUNICIPALITY: FOOTHILLS COUNTY

REFERENCE NUMBER: 091 143 908

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
111 108 435	04/05/2011	TRANSFER OF LAND	$1,400,000	NOMINAL

OWNERS

THERESA CALMUSKY
OF 110 HAWK'S LANDING DRIVE
PRIDDIS
ALBERTA T0L 1W0

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
931 148 784	25/06/1993	UTILITY RIGHT OF WAY GRANTEE - MEOTA GAS CO-OPERATIVE ASSOCIATION LIMITED. PRIDDIS ALBERTA
041 059 939	11/02/2004	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		GOVERNMENT ACT CAVEATOR - THE MUNICIPAL DISTRICT OF FOOTHILLS NO. 31. BOX 5605 HIGH RIVER ALBERTA T1V1M7
041 128 338	13/04/2004	RESTRICTIVE COVENANT
071 285 701	08/06/2007	CAVEAT RE : PURCHASERS INTEREST CAVEATOR - PRIDDIS CREEK DEVELOPMENTS LTD. C/O 1500, 407-2 ST SW CALGARY ALBERTA T2P2Y3 AGENT - BROCK CARSCALLEN
091 143 909	26/05/2009	MORTGAGE MORTGAGEE - THE TORONTO DOMINION BANK. 500 EDMONTON CITY CENTRE EAST EDMONTON ALBERTA T5J5E8 ORIGINAL PRINCIPAL AMOUNT: $925,000
161 000 796	04/01/2016	RELEASE OF DOWER RIGHTS BY - RANDY CALMUSKY
161 000 797	04/01/2016	MORTGAGE MORTGAGEE - GRANT THORNTON LIMITED. 900, 833 - 4 AVE SW CALGARY ALBERTA T2P3T5 ORIGINAL PRINCIPAL AMOUNT: $150,000
161 058 472	03/03/2016	CERTIFICATE OF LIS PENDENS BY - ALBERTA SECURITIES COMMISSION. FRAUDULENT PREFERENCES ACT

TOTAL INSTRUMENTS: 008

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 23 DAY OF OCTOBER, 2020 AT 01:36 P.M.

ORDER NUMBER: 40375890

CUSTOMER FILE NUMBER:

END OF CERTIFICATE

Your Line of Credit Statement
Statement Period: July 1, 2020 to July 31, 2020
Statement Date: July 31, 2020

JTA5603350 E D 01638

MRS THERESA CALMUSKY
MR RANDY Z CALMUSKY
110 HAWK'S LANDING DR
PRIDDIS GREENS AB T0L 1W3

Borrowers:
THERESA CALMUSKY
RANDY CALMUSKY

If you have any questions about your statement, please contact us at 1-866-222-3456

Account Summary for the Statement Period

Account Number: 0104-3268621

Credit Limit: $925,000.00

Available Credit as at July 31, 2020
$0.00

Total Opening Principal Balance*
$923,743.15

Total Payments/Credits*
$2,237.14

Total New Advances, Interest & Non-Interest Charges*
$2,312.25

Total Closing Principal Balance*
$923,818.26

* includes Revolving Portion and any Term Portion

JTA5603350-0003265-01638-0002-0001-00-

REVOLVING PORTION

PAYMENT DETAILS

Payment Due Date	Overdue Amount ($)	Minimum Payment[1] ($)
Aug 21/20	0.00	2,312.25

[1]Your minimum payment as shown above is the greater of (a) your regular minimum payment plus any Overdue Amount or (b) the Overlimit Amount.

Your **Revolving Portion Variable Annual Interest Rate** as of the end of the Statement Period is 2.950%.

A hold has been placed on your Account and is reflected in the Credit Available.

ACTIVITY

Date	Activity Description	Amount ($)
Jul 01	**OPENING BALANCE**	**923,743.15**
Jul 20	PAYMENT - THANK YOU	-2,237.14
Jul 31	INTEREST	2,312.25
Jul 31	**CLOSING BALANCE**	**923,818.26**

INTEREST FOR THE STATEMENT PERIOD

Period Covering	Interest Rate (%)	Interest Amount ($)
Jul 01 - Jul 31	2.950	2,312.25
Total Interest		**2,312.25**