Grant Thornton

CLERK OF THE COURT
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NOV 15 2013
JUDICIAL CENTRE OF CALGARY

COURT FILE NUMBER	1201-15430
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFFS	STANLEY EISENBERG, BRENDA EISENBERG, JACK EISENBERG, LYNN EISENBERG and EISENBERG'S PROPERTIES LTD.
DEFENDANTS:	910234 ALBERTA LTD., RANDY CALMUSKY, THERESA CALMUSKY, KYLE CALMUSKY, CALE HUMENIUK and JORDAN RINTOUL
DOCUMENT	RECEIVER'S SEVENTH REPORT NOVEMBER 15, 2013
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT	<u>RECEIVER</u> Grant Thornton Limited 900, 833 – 4th Avenue SW Calgary, AB T2P 3T5 Attention: Guy Odhams Telephone: (403) 296-3143 Facsimile: (403) 260-2571 E-Mail: Guy.Odhams@ca.gt.com <u>COUNSEL</u> Field LLP 400, 604 – 1 Street S.W. Calgary, AB T2P 1M7 Attention: Douglas S. Nishimura Telephone: (403) 260-8548 Facsimile: (403) 264-7084 E-Mail: dnishimura@fieldlaw.com

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Introduction

1. 910234 Alberta Ltd. ("**910**" or the "**Company**") is a corporation incorporated pursuant to the laws of the Province of Alberta. Randy Calmusky is the sole director of 910.

2. 910 was in the business of raising funds from investors for the purpose of investing in residential mortgages. Investors provided funds in the form of loans to 910, and those loans were to be documented through a series of mortgage sale and servicing agreements.

3. On December 6, 2012, Stanley Eisenberg, Brenda Eisenberg, Jack Eisenberg, Lynn Eisenberg and Eisenberg's Properties Ltd. (collectively the "**Eisenbergs**"), applied for, and were granted an Attachment Order by the Honourable Justice K. D. Yamauchi (the "**Attachment Order**").

4. On December 10, 2012, the Eisenbergs applied for a Receivership Order against 910 and other parties. On December 12, 2013, a Receivership Order was granted by the Honourable Mr. Justice S. J. LoVecchio, appointing Grant Thornton Limited (the "**Receiver**") as Receiver of all of the assets of 910.

5. The Receiver filed an Initial Report to the Court on December 20, 2012. On December 21, 2012, an Order was granted by the Honourable Mr. Justice R. G. Stevens, extending the Attachment Order to January 14, 2013.

6. The Receiver filed its Second Report to the Court on January 9, 2013. On January 14, 2013, an Order (the "**Amended Receivership Order**") was granted by the Honourable Madam Justice K. M. Horner, expanding the Receiver's powers was granted. On the same day, the Honourable Madam Justice K. M. Horner granted an Order extending the Attachment Order to February 22, 2013. The Attachment Order was subsequently extended to December 4, 2013 as pronounced by Honourable Madam Justice B.E.C. Romaine on September 4, 2013.

7. The purpose of this report (the "**Receiver's Seventh Report**") is to provide this Honourable Court with:

- A summary of the sales process conducted by the Receiver with respect to 27 Elveden Place SW (the "**Property**");

- Information with respect to the Receiver's application to seek Court Approval of the Residential Purchase Contract ("**RPC**") between the Receiver and 641295 Alberta Ltd. (the "**Purchaser**"); and

- Extend the Attachment Order for an additional three months.

Disclaimer and Limitations of Report

8. In preparing this Report, the Receiver has necessarily relied upon financial and other information and representations supplied by various parties. Although the information supplied has been reviewed for reasonableness, the Receiver has not independently verified the accuracy or completeness of the information nor has the Receiver conducted an audit and, as a result, the Receiver is not providing any form of assurance on the information subject to its review. The procedures the Receiver performed are limited in nature to those outlined in its report. As such, the Receiver's work may not necessarily disclose all the significant matters about 910 or any errors, misstatements, irregularities, or illegal acts, if such exist, on the part of 910 or its management, directors, and advisors or in the underlying information.

9. The findings contained herein are based primarily on review of various documents made available to the Receiver and discussions and communications with various parties. Due to the lack of summary financial records of 910, the Receiver has not had an opportunity to complete all of its potential work, as disclosed within the Report. 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.

10. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use which any party makes of this report, or any reliance on or decisions to be made based on it is the responsibility of such party.

Sale of 27 Elveden Place

11. As described in the Receiver's prior reports, the Court ordered that 27 Elveden Place be transferred back to 910. The Property was listed for sale prior to the Receivership. The original list price of $2.1 million was set by Randy Calmusky on July 11, 2012.

12. The Received continued to retain the services of Frances Dare (**"Listing Agent"**), a licensed real estate agent with Re/Max House of Real Estate, who was engaged by 910 prior to the appointment of the Receiver. A detailed summary of the listing activity is contained in Appendix 1. A summary of the listing activity is described below:

    (a) Subsequent to the date of the Receivership, the Receiver reduced the asking price to $1.95 million on February 28, 2013 based on advice received from the Listing Agent.

    (b) The listing price was further reduced to $1.85 million on July 2, 2013.

    (c) The listing price was reduced further to $1.55 million on August 7, 2013 with inspector approval after receiving minimal interest at the previous list price.

    (d) The Receiver has received several conditional offers ranging from $1,300,000 to $1,450,000 on the property after reducing the listing price to $1.55 million.

    (e) The Receiver received its first unconditional offer in the amount of $1,300,000 on October 28th, and negotiated to a price of $1.42 million. The Inspectors have approved the sales price.

13. The Property has been advertised on the Listing Agent's website, Homes and Lands, Kijiji, MLS.ca, Househunting, Zoocasa and HotPads.

14. The Receiver is seeking the Courts approval on the sale of 27 Elveden Place for $1.42 million. The signed offer has been included as Appendix 2. The Receiver respectfully recommends the Court approve of the RPC for the following reasons:

(a) The Property has been listed for sale for over 17 months and the Receiver has adequately canvassed the market;

(b) The RPC is an unconditional offer only subject to Court approval with a $100,000 deposit;

(c) Due to the length of time the Property has been on the market, there is no guarantee that a greater market price can be achieved, but additional carrying costs will be incurred including, interest, property taxes and maintenance; and

(d) As shown in the letter attached as Appendix 3, the Receiver has received notice from the mortgagee that it intends to take enforcement action.

Current Attachment Order

15. The current Attachment Order covers three properties, as defined in the Affidavit of Jack Eisenberg sworn December 4, 2012, and previous Receivers' Reports:

- 41 Everglen Crescent;
- 57 Everglen Crescent; and
- 110 Hawks Land Drive.

16. The first two properties relate to the Trico properties. As mentioned in the Receiver's Third Report, funds for the purchase of these two properties were advanced by 910 investors. As reported in Exhibit 27 of the Receiver's Third report, investors are owed an addition $204,971 from the sale of 41 Everglen Crescent and 57 Everglen Crescent.

17. The Receiver is requesting that these properties be sold, and the net proceeds be held in trust until further order of the Court. The Receiver has received a proposal to sell 41 Everglen Crescent for $440,000.

18. The Hawks Landing Property was in the joint names of Randy Calmusky and Theresa Calmusky until it was transferred solely to the name of Theresa Calmusky on May 4, 2011. As the Receiver has an Order for repayment of interest improperly received by Theresa Calmusky and a pending application against Randy Calmusky seeking over $900,000 (as described in the Receiver's Sixth Report and the Supplemental Sixth Report), the Receiver believes it to be appropriate for the Attachment Order to remain against this property or at least a lis pendens notice so that the Receiver is notified if the property is to be sold, allowing for a claim against the proceeds to be advanced.

Recommended Course of Action

19. The Receiver makes the following recommendations with respect to future actions:

- The Court approves the RPC as attached in Appendix 2; and
- The Court approves the extension of the Attachment Order for a further three months.

Dated at Calgary Alberta, the 15th day of November, 2013.

GRANT THORNTON LIMITED

Per: ______________________
Andrew Basi

Listing Summary – 27 Elveden Place

November 14, 2013

Listing History

July 11, 2012 – Property listed for Randy and Theresa Calmusky at $2,100,000 while in the finishing stages of construction.

Mid-Oct, 2012 – Construction completed.

Dec 12, 2012 – Receivership Filed.

Jan 1, 2013 – Listing with Randy and Theresa Calmusky Expires.

Feb 28, 2013 – Property Re-listed at $1,950,000 through Grant Thornton.

July 2, 2013 – Listing Price reduced to $1,850,000.

Aug 7, 2013 – Listing Price reduced to $1,550,000.

Aug 24, 2013 – Conditional Offer received from Kong/Livingston at $1,450,000. Offer was withdrawn shortly thereafter when the buyer got cold feet.

Sept 30, 2013 – Conditional Offer received from Silverberg at $1,300,000. Negotiations died off when buyers wouldn't go above $1,350,000.

Oct 3, 2013 – Conditional Offer received from Chau at $1,150,000. Offer rejected.

Oct 8, 2013 – Conditional Offer received from Grekov at $1,400,000.

Oct 9, 2013 - Conditional Offer received from Silverberg at $1,410,000.

Oct 10, 2013 - After negotiations, Contract signed with Grekov at $1,450,000.

Oct 21, 2013 – Grekov cancels purchase contract after getting cold feet.

Oct 28, 2013 – Unconditional Offer received from 641295 AB Ltd for $1,300,000. Countered at $1,500,000.

Nov 4, 2013 – Unconditional Offer received from 641295 AB Ltd for $1,350,000. Countered at $1,450,000.

Nov 4-8, 2013 – Negotiations with 641295 AB Ltd.

Nov 8, 2013 – Unconditional Offer of $1,420,000 signed with 641295 Ab Ltd.

Showing History

see attached spreadsheet for summary figures

When listed while under construction (July 11th-Oct 15th 2012) there were a total of 3 Private Viewings and 6 Open Houses.

When listed following completion (Oct 15th-Jan 1st, 2013) there were a total of 4 Private Viewings and 10 Open Houses.

When listed under the receivership at $1,950,000 (Feb 28th – July 2nd 2013) there were a total of 8 Private Viewings.

When listed at $1,850,000 (July 2nd – August 7th 2013) there were a total of 2 Private Viewings.

After reducing to $1,550,000 (August 7th – Nov 14th 2013) there have been a total of 47 Private Viewings (with at least 4 or 5 being repeat visits) and 5 distinct offers from different buyers.

Showing and Offer Summary - Nov 14, 2013

Month	Status of Home	Buyer Viewings	Open Houses	Offers	Listing Price
PROPERTY LISTED AT $2,100,000 JULY 11th, 2012					
Jul-12	construction	1	0	0	$2,100,000
Aug-12	construction	0	0	0	$2,100,000
Sep-12	construction	1	4	0	$2,100,000
Oct-13	construction	1	2	0	$2,100,000
Total		**3 Viewings**	**6 Open Houses**	**0 Offers**	
PROPERTY COMPLETED ~ Oct 15th 2012					
Oct-12	complete	1	4	0	$2,100,000
Nov-12	complete	0	5	0	$2,100,000
Dec-12	complete	2	1	0	$2,100,000
Jan-13	complete	1	0	0	$2,100,000
Total		**4 Viewings**	**10 Open Houses**	**0 Offers**	
PROPERTY RE-LISTED AT $1,950,000 FEB 28, 2013					
Feb-13	receivership	0	0	0	$1,950,000
Mar-13	receivership	3	0	0	$1,950,000
Apr-13	receivership	2	0	0	$1,950,000
May-13	receivership	1	0	0	$1,950,000
Jun-13	receivership	2	0	0	$1,950,000
Total		**8 Viewings**	**0 Open Houses**	**0 Offers**	
PRICE REDUCED to $1,850,000 JULY 2, 2013					
Jul-13	receivership	0	0	0	$1,850,000
Aug-13	receivership	2	0	0	$1,850,000
Total		**2 Viewings**	**0 Open Houses**	**0 Offers**	
PRICE REDUCED TO $1,550,000 AUG 7, 2013					
Aug-13	receivership	11	0	1	$1,550,000
Sep-13	receivership	15	0	1	$1,550,000
Oct-13	receivership	14	0	2	$1,550,000
Nov-13	receivership	7	0	1	$1,550,000
Total		**47 Viewings**	**0 Open Houses**	**5 Offers (different buyers)**	

Appendix 2

Alberta Real Estate ASSOCIATION

For Use in DESIGNATED AGENCY Brokerages

27 Elveden
Agreement Number

RESIDENTIAL SELLER BROKERAGE AGREEMENT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

This Seller Brokerage Agreement (the "Agreement") is between

THE SELLER	and	**THE SELLER'S BROKERAGE (the "Brokerage")**
Name Grant Thornton Ltd. In its capacity as Receiver		Brokerage Name
Name of 910234 Alberta Ltd.		RE/MAX HOUSE OF REAL ESTATE
Address #900, 833 - 4 Avenue SW		Address #20, 2439 - 54 AVENUE S.W.
Calgary, AB T2P 3T5 (postal code)		CALGARY, AB T3E 1M4 (postal code)
Phone 403-296-2992 Fax		Phone (403) 880-7680
Email Andrew.Basi@ca.gt.com		Member of CREB (the "Board")

This Agreement is entered into by the Seller and the Brokerage on the basis of the following facts:

(a) the Seller wishes to retain the services ofthe Brokerage and benefit from agency representation in the sale of their property;

(b) the Brokerage may also represent buyers who are interested in purchasing the Seller's property;

(c) concurrent representation by the Brokerage of both the Seller and buyers interested in the Seller's property, prevents the Brokerage from discharging the agency and fiduciary obligations it owes to each of the Seller and these buyers;

(d) concurrent representation is permitted by law only with the fully informed and voluntary consent of the Seller;

(e) the Seller has received and read the *Agency Relationships Guide* published by the Real Estate Council of Alberta and this Agreement, and has been given an opportunity to seek further information and independent advice concerning representation by a designated agent and the other relationships discussed therein;

(f) the Brokerage is prepared to designate separate agents to act as the sole agent for and in the best interests of the Seller, on the one hand, and of any buyer interested in the Property who is also represented by the Brokerage, on the other hand; and,

(g) the Brokerage has in place policies and procedures to protect the confidential information of the Seller and to ensure a designated agent does not communicate any information prejudicial to the interests of the Seller to other members of the Brokerage, including other designated agents.

In consideration of the Brokerage listing the Seller's Property, the Seller hereby gives the Brokerage the exclusive right to offer the Property for sale for the price of ______________________

______________ Dollars ($ 1,550,000) including GST, if applicable, and upon the following terms:

1. GST

1.1 The Seller acknowledges and agrees that it is the sole responsibility of the Seller to seek expert advice (e.g., an accountant) regarding the applicability or payment of GST on the sale of the Property. The Seller further acknowledges that neither the Brokerage nor any of its representatives has made any representations or recommendations regarding the applicability or payment of GST on the sale of the Property and agrees that they will not be held liable for same.

2. THE PROPERTY

2.1 The Property is the Land and Buildings located at (municipal street address):

27 Elveden Place SW Calgary, AB T3H 0L1

2.2 The legal description of the Property is: Plan 0715416 Block/Unit 1 Lot 20

Other ______________________

If Condominium Property, legal description and details as per the Condominium Property Appendix (attached).

2.3 The Property includes:

(a) Goods not attached to the Land and Buildings ("Unattached Goods") as listed below:

Refrigerator, Gas Stove, Hoodfan, 2 Built-in Dishwashers, 2 Built-in Microwave Ovens, 2 Bar Refrigerators

(b) All goods attached to the Land and Buildings ("Attached Goods") except those goods listed below:

3. TERM OF THE AGREEMENT

3.1 This Agreement will commence at 7:00 a.m. on the 1 day of November, 2013 and will expire at 11:59p.m. on the 28 day of February, 2014 (the "Expiry Date").

4. POSSESSION DATE

4.1 The proposed Possession Date is Negotiable

5. APPOINTMENT OF DESIGNATED AGENT

5.1 The Brokerage designates FRANCES DARES (the Designated Agent) to serve as sole agent for the Seller.

5.2 If the Designated Agent ceases to be registered with the Brokerage, unless otherwise agreed in writing, the Brokerage will designate another member of the Brokerage to serve as the sole agent for the Seller.

5.3 The Brokerage will not appoint another brokerage to act on behalf of the Seller as a subagent without the Seller's prior written consent.

6. MLS® SERVICES

6.1 All MLS® Listings must:

(a) be for a minimum duration of 60 days;

(b) provide compensation for cooperating brokers for the sale of the property;

(c) not exclude any licensed industry member from acting as a cooperating broker.

6.2 Seller's Information:

(a) The Seller Brokerage Agreement must be completed in full and must include the names of the parties, the term of the agreement, the address and legal description of the property, the price at which the property is being offered, the remuneration being offered to cooperating brokerages, the possession date and other property-dependent information necessary for the marketing of the property. This information will be entered into the MLS® System.

(b) Changes to certain of the above-mentioned information will require the signatures of the Seller.

(c) Should the Seller not wish its name to be entered into the MLS® System, this is permissible upon receipt of a written request from the Seller through its brokerage.

(d) The Seller maintains the right to request that information such as the address and legal description of the property not be displayed on REALTOR.ca.

6.3 Advertising:

(a) The Seller's name and contact information shall not appear on REALTOR.ca or in the public remarks section of the MLS® System.

(b) The Brokerage may permit the Seller to reserve the right to sell the property itself. If Seller's Rights Reserved apply to a listing, that fact shall be disclosed to other members of the Board via the MLS® System.

Note: *MLS® Listing means a property listed for sale on the Board's MLS® System. The trademarks MLS®, Multiple Listing Service® and the associated logos are owned by The Canadian Real Estate Association (CREA) and identify the quality of services provided by real estate professionals who are members of CREA.*

7. AGENCY RELATIONSHIP AND BROKERAGE'S RESPONSIBILITY

7.1 The Seller agrees an agency relationship will exist only with the Designated Agent and not with the Brokerage.

7.2 The Seller agrees the Brokerage's responsibilities will be limited to:

(a) treating the interests of the Seller and buyers interested in the property represented by the Brokerage in an even-handed, objective and impartial manner;

(b) ensuring compliance by the Designated Agent with the Brokerage's policies and procedures governing designated agents;

(c) supervising the Designated Agent and support staff to ensure the Designated Agent fulfills its mandate under this Agreement;

(d) holding all monies received by the Brokerage in trust in accordance with the provisions of the *Real Estate Act*; and

(e) providing a true copy of this Agreement to the Seller after all parties have signed.

8. BROKERAGE'S AND THE DESIGNATED AGENT'S UNDERTAKING

8.1 The Brokerage and the Designated Agent undertake that they will not disclose any confidential information concerning the Seller to any other member of the Brokerage or any other person unless authorized by the Seller or required by law.

9. NO ATTRIBUTION OF KNOWLEDGE

9.1 The Designated Agent's knowledge will not be attributed to the Brokerage or to its designated agents representing buyers or other sellers.

10. DESIGNATED AGENT'S MANDATE

10.1 Obligations

The Designated Agent will:

(a) obey the lawful and reasonable instructions of the Seller;
(b) exercise reasonable care and skill in the performance of this Agreement;
(c) use best efforts to market the Property and promote the interests of the Seller and, subject to Section 24, act only as the Seller's agent;
(d) subject to Section 24, be loyal to the Seller and act in the Seller's best interests at all times.
(e) make timely and full disclosure of all conflicts of interest that may arise between the Seller's interest and those of the Brokerage, the Designated Agent or buyers;
(f) at the earliest reasonable opportunity, advise any buyer interested in the Property that the Designated Agent is the agent of the Seller;
(g) not appoint another designated agent to act on behalf of the Seller without the Seller's and the Brokerage's prior written consent;
(h) assist the Seller in negotiating favourable terms and conditions with a buyer;
(i) assist the Seller in preparing and complying with a legally binding purchase contract for the Property;
(j) disclose to buyers all material latent defects affecting the Property known to the Designated Agent;
(k) hold all monies received by the Brokerage in trust in accordance with the provisions of the *Real Estate Act*;
(l) keep the Seller fully informed regarding the marketing of the Property and any resulting transaction;
(m) disclose to the Seller, in a timely manner, all relevant facts affecting the transaction known to the Designated Agent;
(n) present, in a timely manner, all offers and counter-offers to the Seller even when the Property is already the subject of a purchase contract;
(o) advise the Seller to obtain expert advice on matters of importance to the Seller;
(p) comply with the provisions of the *Real Estate Act* and its regulations, and the rules and bylaws of the Real Estate Council of Alberta.

10.2 Other Services

The Seller requests, and the Designated Agent agrees to provide, the following services:

(a) to obtain verification of mortgage, property taxes, improvement charges, tenancy information and other similar information with respect to the Property; ☐ Yes ☑ No
(b) to advertise the Property; ☑ Yes ☐ No
(c) to place a "for sale" sign on the Property; ☑ Yes ☐ No
(d) to install a lock-box on the Property to provide access to authorized persons; ☑ Yes ☐ No
(e) to show the Property at times acceptable to the Seller and, if any, the tenant(s); ☑ Yes ☐ No
(f) to arrange "open house" showings of the Property; and ☐ Yes ☑ No
(g) the services listed below:

Seller's Initials

11. BROKERAGE'S FEE

11.1 Remuneration

The Seller will pay the Brokerage as Remuneration 7% on the first $100,000 + 3% on the balance
______ plus GST: ______ Seller's Initials

(a) if, during the term of this Agreement, a legally enforceable purchase contract, from whatever source obtained, is entered into between the Seller and a buyer (other than a buyer who has been specifically excluded in writing from this Agreement) and the sale is completed, or the Seller, without legal justification, fails to complete the sale; or

(b) if, within 90 days (the Hold-Over Period) of the expiration of this Agreement, a legally enforceable purchase contract is entered into between the Seller and a buyer (other than a buyer who has been specifically excluded in writing from this Agreement) who was introduced to the Property or the Seller during the term of this Agreement, by whatever means or person and whether or not the Brokerage is the effective cause of such purchase contract and the sale is completed, or the Seller, without legal justification, fails to complete the sale; except this clause will not apply where the Seller has signed another seller brokerage agreement after the expiration of this Agreement and Remuneration is payable to another brokerage according to the terms of that other seller brokerage agreement as a result of the sale; or

(c) if, during the term of this Agreement, an unconditional offer to purchase the Property upon the terms specified in this Agreement is presented to the Seller which the Seller refuses to accept.

11.2 Payment of Remuneration

(a) The Seller will pay the Remuneration to the Brokerage no later than the second business day after the sale is completed unless the Seller and the Brokerage otherwise agree in writing. Any holdbacks or conditions accepted by the Seller or the Seller's lawyer will not delay payment of the Remuneration to the Brokerage.

(b) The Brokerage will offer 3.5% on the first $100,000 + 1.5% on the balance
______ plus GST as compensation to cooperating brokerages.

11.3 Alternative Remuneration

The Seller will pay the Brokerage Alternative Remuneration in the amounts specified below:

(a) If, during the term of this Agreement or Hold-Over Period, a legally enforceable purchase contract is entered into between the Seller and a buyer, and the buyer without legal justification fails to complete the sale, the Seller will pay the Brokerage, from forfeited Deposits, if any, 50% of such amount, or the Remuneration specified in clause 11.1, whichever is the less, upon the forfeiture of such Deposits; or

(b) If, during the term of this agreement, the Seller should withdraw the Property from the market, the Seller will reimburse the Brokerage for all reasonable expenses incurred in the performance of this Agreement prior to the date on which the Seller notifies the Brokerage in writing of the Seller's decision, provided that such reimbursement will not prejudice any other claim to Remuneration to which the Brokerage may become entitled under Section 11 of this Agreement.

11.4 Deduction of Remuneration from Deposit and Proceeds of Sale

(a) The Seller authorizes the Brokerage, upon completion of the sale, to deduct the Remuneration owed to the Brokerage from the Deposit, if any, held by the Brokerage and will pay any balance of Remuneration owed in accordance with clause 11.1.

(b) The Seller irrevocably and unconditionally instructs any lawyer acting on behalf of the Seller to deduct from the Deposit and proceeds of sale, or monies forfeited by or recovered from the buyer any Remuneration or Alternative Remuneration that remains owing to the Brokerage after it has exercised its right, if any, under clause 11.4(a) and to pay such Remuneration or Alternative Remuneration, plus GST, to the Brokerage.

11.5 Limitation on Other Remuneration

The Brokerage agrees not to accept any other remuneration, whatever its form (including finder's fees, referral fees and gifts) and from whatever source (including the buyer, a mortgage lender, another brokerage or contractor), directly or indirectly related to its agency under this Agreement unless, before accepting such compensation, the Brokerage has:

(a) fully disclosed in writing to the Seller all relevant facts relating to the offer of remuneration, including the maximum amount to be received; and

(b) obtained the Seller's written consent to the Brokerage receiving such remuneration.

12. DEPOSITS

12.1 All Deposits will be held in accordance with the terms of the signed purchase contract. If the Deposits are held by a real estate brokerage, they must be held in trust according to the *Real Estate Act* (Alberta).

13. SECURITY FOR THE BROKERAGE'S FEES

13.1 The Seller now **encumbers** all of its interest in the Land, Buildings and Attached Goods for the benefit of the Brokerage to secure payment of all money which may be owed by the Seller to the Brokerage under this Agreement. The parties agree that the Brokerage is entitled to encumber the Land in accordance with the *Land Titles Act* (Alberta). The Seller now authorizes the Brokerage to file and maintain a **caveat** to give notice of this encumbrance.

13.2 If the Brokerage successfully enforces any of its rights or remedies under this section, the Seller will pay reasonable lawyer and client legal fees and costs incurred by the Brokerage.

13.3 If the Seller owes money under this Agreement and the Brokerage does not wish to enforce this Agreement against the Seller, then upon mutual agreement between the Brokerage and the buyer's brokerage, the Brokerage may assign this Agreement to the buyer's brokerage. If this Agreement is assigned, then the buyer's brokerage may enforce this Agreement against the Seller to collect the portion of the Remuneration or Alternative Remuneration, plus GST, to which the buyer's brokerage is entitled, and the buyer's brokerage will have the same rights and security given to the Brokerage according to Section 13 of this Agreement.

14. DUTIES OF THE SELLER

14.1 The Seller will:

(a) make its best efforts to insure the Property and its contents against loss or damage due to perils that are normally insured against for similar properties. The Seller will make best efforts to ensure that such insurance will be effective even when the Property is vacant;

(b) make reasonable efforts to communicate and cooperate with the Designated Agent in a timely manner;

(c) provide the Designated Agent with all the information necessary for the listing and marketing of the Property; and,

(d) immediately advise the Designated Agent of any material change in the physical condition or status of the Property or in the information provided by the Seller.

14.2 The Seller will immediately advise the Designated Agent:

(a) during the Term of the Agreement, of all inquiries by interested buyers or their representatives received by the Seller;

(b) during the Term of the Agreement, of all offers to purchase from interested buyers or their representatives and will deliver such offers to the Brokerage;

(c) during the Hold-Over Period, of any offers to purchase the Property accepted by the Seller from a buyer introduced to the Seller during the Term of the Agreement; and

(d) during the Hold-Over Period, of any offers or counter-offers regarding the Property made by the Seller and accepted by a buyer introduced to the Seller during the Term of the Agreement.

15. IMPORTANT INFORMATION

15.1 The Seller will provide the following Important Information to the Designated Agent within ten (10) days of the Seller signing this Agreement and at the Seller's expense:

(a) regarding the matters described in clause 17.2, a real property report reflecting the current state of improvements on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance. This obligation will not apply to condominium units that do not create a lot nor to any transaction where there are no structures on the land.

Please Note: Not having a current real property report with compliance may result in complications on closing or rescission of the purchase contract.

(b) if the Property is a residential resale condominium, the Important Information as described in the Condominium Property Appendix (attached).

(c) if the Property includes a manufactured/mobile home or is rented, the Important Information described in the Property Appendix (attached).

The Seller authorizes the Designated Agent to obtain the Important Information on the Seller's behalf and at the Seller's expense.

☐ Yes ☑ No ______ Seller's Initials

15.2 If the Property is encumbered by a mortgage, then: Is the mortgage high-ratio insured? ☐ Yes ☑ No

Subject to any required lender approval, will the Seller allow the assumption of any existing mortgage(s)? ☐ Yes ☑ No

15.3 If a high ratio mortgage is to be assumed, the Seller should seek legal advice.

15.4 Sellers are required by common law to disclose defects that are hidden, not visible or discoverable through a reasonable inspection of the Property, *and* that render the Property dangerous or potentially dangerous to the occupants or unfit for habitation. Sellers may also be required to disclose government and local authority notices, lack of development permits and hidden defects that would involve great expense to remedy.

Are you aware of any such defects in the Property? ☐ Yes ☑ No ______ Seller's Initials

Have you received any government or local authority notices? ☐ Yes ☑ No ______ Seller's Initials

Are you aware of any lack of permits for any development on the property? ☐ Yes ☑ No ______ Seller's Initials

Are you aware of any hidden defect that would involve great expense to remedy? ☐ Yes ☑ No ______ Seller's Initials

15.5 **If just one individual is the registered owner of the Property,** then the following questions must be answered.

Note: "Legally married", pursuant to the Dower Act, includes a separated couple not yet legally divorced ~~but does~~ not include a couple in a common law relationship.

Are you legally married? ☐ Yes ☑ No MB Seller's Initials

If yes, have **either** you or your spouse resided on the Property at any time since your marriage? ☐ Yes ☑ No MB Seller's Initials

If there is only one individual on title and if the answer to **both** questions is "yes", then, pursuant to the *Dower Act*, the spouse of the registered owner must co-sign this Agreement and a "Dower Consent and Acknowledgment" (sworn before a Commissioner for Oaths) must be completed and attached to this Agreement.

16. ADVICE TO THE SELLER

16.1 If Dower rights apply as per clause 15.5, a new Dower Consent and Acknowledgment must be executed at the time of accepting an offer to purchase and the Purchase Contract must be co-signed by the spouse of the registered owner.

16.2 If the Seller has entered into any long-term contracts that relate to the Property, for example, agreements for gas or utility services or security monitoring, the Seller should verify termination policies and any possible financial penalties with the other contracting party.

16.3 The Seller is advised that the Designated Agent is providing services as a real estate professional, not as a lawyer, tax advisor, lender, appraiser, surveyor, structural engineer, property inspector, or other professional service provider.

17. SELLER'S WARRANTIES

- Sold "as is, where is" with no reps or warranties MB

17.1 The Seller warrants the following:

(a) The Seller has the authority to sell the Property and enter into this Agreement; ☑ Yes ☐ No ______ Seller's Initials

(b) The Seller has a right to sell the Unattached Goods listed in clause 2.3(a);

(c) The goods attached to the Land and Buildings and the included Unattached Goods listed in clause 2.3 are free and clear of financial encumbrances;

(d) The Seller has disclosed to the Designated Agent all third party claims and interests in the Property known to the Seller;

(e) The Property is not currently the subject of any seller brokerage agreement;

(f) All information provided to the Designated Agent is accurate to the best of the Seller's knowledge.

17.2 The Seller warrants that, to best of the Seller's knowledge, the following are truthful and accurate:

(a) The current use of the Land and Buildings complies with the existing municipal land use bylaw;

(b) The Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is registered on title;

(c) The location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the sale being completed, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);

(d) The current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;

(e) The Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and

(f) Where applicable, the Seller has complied with the bylaws of the Condominium Corporation.

18. SELLER'S CONFIDENTIAL INFORMATION WILL BE PROTECTED

18.1 The Brokerage and the Designated Agent undertake that they will not use confidential information received from the Seller, or obtained as a result of providing services under this Agreement, for their own gain or the gain of their employees or to the prejudice of the Seller's interests.

19. USE AND DISTRIBUTION OF SELLER'S INFORMATION

19.1 The Seller consents to the collection, use and disclosure of personal information by the Brokerage and the Designated Agent for the purpose of this Agreement and such other use as is consistent with listing and marketing the Property including, but not limited to:

(a) listing and advertising the Property using any medium including electronic media, interior and exterior photographs and video;

(b) retaining and disclosing any listing and sales information, including price, which may be used by the Brokerage or the Designated Agent for any purpose relating to their business including conducting comparative analyses and disclosing such information to other persons such as appraisers and other brokerages.

19.2 The Seller consents to placement of the listing and sales information by the Brokerage into the database(s) of the appropriate listing service(s) of the Board and acknowledges that the database of the Board is the property of the Board.

19.3 The Seller further acknowledges that the Brokerage, the Designated Agent and the Board may:

(a) distribute the information to any persons authorized to use such service which may include other brokers, government departments, appraisers, municipal organizations and others;

(b) market the Property, at their option, in any medium, including electronic media;

(c) compile, retain and publish any statistics including historical listing service data which may be used by the Brokerage and licensed Board members to conduct comparative market analyses; and

(d) make such other use of the information as the Brokerage, the Designated Agent and the Board deem appropriate in connection with the listing, marketing and selling of real estate.

20. INDEMNIFICATION

20.1 The Seller will hold harmless and indemnify the Brokerage and the Designated Agent for any claims that may arise from their reasonable and good faith reliance on representations made, or information provided, by the Seller.

21. ADDITIONAL TERMS

21.1 The Seller agrees that:

(a) the Designated Agent may represent other sellers and, subject to Section 24, buyers;

(b) the Brokerage and the Designated Agent cannot disclose to the Seller confidential information obtained through any other agency relationship to which the Brokerage or Designated Agent is or has been a party;

(c) the Designated Agent will not be obligated to seek additional offers to purchase while the Property is subject to an unconditional purchase contract;

(d) if the Property is owned by a limited company, a sale of shares representing a controlling interest in the Property will constitute a sale for the purposes of this Agreement.

21.2 This Agreement:

(a) includes, if signed or initialled by the Seller and attached to this Agreement, the following documents:

(b) will constitute the entire agreement between the Seller and Brokerage and there are no representations, warranties, collateral agreements or conditions which affect this Agreement other than as expressed herein.

(c) is for the benefit of and will be binding upon the heirs, administrators, executors, successors and assigns of the parties;

(d) will be governed by the laws of the Province of Alberta and the parties will submit to the jurisdiction of the Courts of the Province of Alberta for the resolution of any disputes that may arise out of this Agreement.

21.3 No amendment to the terms of this Agreement shall be effective unless it is in writing and signed by the Seller and the Brokerage.

21.4 If there is conflict or discrepancy between any provision added to this Agreement and any provision in the standard portion hereof, the added provision will supersede the standard provision to the extent of such conflict or discrepancy.

21.5

22. ENDING THE AGREEMENT

22.1 Without prejudice to the acquired rights of the Seller or the Brokerage, this Agreement will end upon:

(a) a completed sale of the Property;

(b) the expiration of the Term of the Agreement as specified in clause 3.1 or on an earlier date if mutually agreed to by the Seller and the Brokerage in writing;

(c) the suspension or cancellation of the Brokerage's licence to trade in real estate;

(d) the Brokerage ceasing to be a member in good standing of a real estate board; or

(e) the bankruptcy or insolvency of the Brokerage or if it is in receivership.

22.2 Where one party to this Agreement has materially breached a part of this Agreement, the other party may, at its option, end this Agreement by notice in writing to the party in breach.

22.3 When this Agreement ends, the Brokerage and the Designated Agent will immediately: remove the Property as an active listing on any listing service; cease all marketing activities on behalf of the Seller; remove all signs and any lockbox from the Property; and return documents and other materials provided by the Seller.

22.4 Ending this Agreement for whatever reason does not relieve the Brokerage and the Designated Agent of their duty of confidentiality to the Seller and their duty to account for all monies received by the Brokerage.

23. DEFINITIONS

23.1 For the purposes of this Agreement:

(a) **"Business Day"** means every day but Saturday, Sunday and statutory holidays;

(b) **"buyer"** means a person acquiring or attempting to acquire an interest in real estate by purchase;

(c) **"purchase"** includes an exchange, option, lease or other acquisition of an interest in real estate;

(d) **"sale"** includes an exchange, option, lease or other disposition of an interest in real estate;

(e) **"seller"** means a person disposing or attempting to dispose of an interest in real estate by sale;

(f) **"concurrent representation"** means a situation in which a brokerage or an industry member represents two or more parties to a trade whose interests are seen to be in conflict; and

(g) **"sale is complete"** when the purchase price is paid to the Seller or the Seller's lawyer and is releasable.

24. CHANGE IN REPRESENTATIVE CAPACITY OF THE DESIGNATED AGENT

24.1 If the Designated Agent is also the agent of a buyer who wishes to view the Property, the Designated Agent will:

(a) disclose this fact to both the buyer and the Seller; and,

(b) unless instructed otherwise by the Seller, facilitate the viewing of the Property by that buyer and make available the marketing information that is available to all potential buyers; however, the mere viewing of the Property will not mean that the buyer is interested in the Property for the purposes of clause 24.2 below.

24.2 If the Designated Agent is also the agent of a buyer who becomes interested in the Property, the Designated Agent will:

(a) immediately advise the Seller and the buyer of all relevant facts and implications of dual representation;

(b) give the Seller and the buyer an opportunity to seek independent advice;

(c) obtain the written informed consent of the buyer to the Designated Agent continuing to provide services to the Seller and the buyer in a transaction brokerage relationship on the terms specified in the Designated Agency Transaction Brokerage Agreement prior to writing the offer; and

(d) obtain the written informed consent of the Seller to the Designated Agent continuing to provide services to the Seller and the buyer in a transaction brokerage relationship on the terms specified in the Designated Agency Transaction Brokerage Agreement prior to presenting the buyer's offer to the Seller.

24.3 Should the Designated Agent or the Brokerage decide not to enter into a Designated Agency Transaction Brokerage Agreement or should either the Seller or the buyer refuse to consent to transaction brokerage, unless otherwise agreed in writing by the parties, the Designated Agent will continue to represent the party, be it the Seller or the buyer, with whom it first entered into an exclusive agency relationship and the Brokerage will offer to designate another member of the Brokerage to represent the other party as sole agent, to treat the other party as a customer or to refer the other party to another brokerage.

25. SELLER'S ACKNOWLEDGMENT

25.1 The Seller, having received and read this Agreement and the *Agency Relationships* guide, and having been given the opportunity to request further information concerning this Agreement and the representation relationships described in the guide, acknowledges this Agreement accurately sets out the terms agreed to by the Seller and the Brokerage.

Alberta Real Estate ASSOCIATION

27Elveden CZ
Contract Number

RESIDENTIAL PURCHASE CONTRACT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

This Residential Purchase Contract (the "Contract") is between

THE SELLER	and	THE BUYER
Name 910234 Alberta Ltd by its court appointed		Name 641295 ALBERTA LTD.
Name receiver Grant Thornton Ltd		Name

1. THE PROPERTY

1.1 The Property is the Land, Buildings, Attached Goods (unless excluded) and Included Unattached Goods located at (municipal address): 27 Elveden Place SW Calgary AB T3H 0L1

1.2 The legal description of the Property is:

Plan 0715416 Block 1 Lot 20 Other

1.3 No Unattached Goods (chattels) except for:

Refrigerator, Gas Stove, Built-in Dishwashers (2), Microwave Oven (2), Bar Fridge (2), Garburator, Hoodfan

1.4 All Attached Goods (fixtures) except for:

1.5 Unless otherwise agreed in writing, title will be free and clear of all encumbrances, registrations and obligations except the following:

(a) those implied by law;

(b) non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature and which do not affect the saleability of the Property;

(c) homeowner association caveats, encumbrances and similar registrations; and

(d) those items which the Buyer agreed to assume in this Contract.

Seller's Initials Buyer's Initials

Alberta Real Estate ASSOCIATION

Residential Purchase Contract

27Elveden CZ
Contract Number

2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably, diligently and in good faith.

2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

$ 100 000.00 Initial Deposit

$ ______ Additional Deposit

$ ______ Assumption of Mortgage (approximate principal balance as per attached Financing Schedule)

$ ______

$ ______ New Financing

$ ______ Seller Financing (as per attached Financing Schedule)

$ ______ Other Value

$ 1320 000.00 Balance Owing (subject to adjustments)

$ 1420 000.00 **Purchase Price**

Unless otherwise agreed in writing, the Purchase Price includes any applicable Goods and Services Tax (GST).

2.3 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

3.1 All Deposits shall be delivered in trust to ReMax House of Real Estate

Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. ______

3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 15.1). Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received by the brokerage.

3.3 Any Additional Deposits shall be delivered as follows: ______

3.4 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer. ______

3.5 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:

(a) applied against the Commission and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Seller Brokerage Agreement;

(b) refunded forthwith to the Buyer if this offer is not accepted;

(c) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per clauses 8.5 and 8.6) or the Seller fails to perform this Contract; and

(d) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform this Contract.

3.6 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

3.7 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:

(a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposits;

(b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;

(c) the parties agree to allow the lawyer or the brokerage to deduct from the Deposits a reasonable fee and costs incurred for dealing with the Deposits;

(d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposits, except as arising from the negligence of the brokerage or lawyer.

3.8 In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

4.1 Unless otherwise agreed in writing, this Contract will be completed, the Purchase Price will be fully paid and vacant possession will be available by 12 noon on the _______ day of (7 DAYS COURT ACCEPTANCE), 20___ (the "Completion Day"), subject to the rights of the existing tenants, if any.

4.2 When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.

4.3 Items which are normally adjusted for, such as real estate property taxes, amortized local improvement levies, utilities, rents, security deposits, statutory interest on security deposits, mortgage interest and homeowner association fees, will be assumed by the Buyer and will be adjusted as of 24:00 hours on the Completion Day.

4.4 The Seller or the Seller's lawyer will deliver normal closing documents including, where applicable, a real property report pursuant to clause 4.11, to the Buyer or the Buyer's lawyer upon reasonable conditions consistent with the terms of this Contract. The Buyer or the Buyer's lawyer must have an opportunity to review the real property report, where applicable, prior to submitting the transfer documents to the Land Titles Office and a reasonable period of time before the Completion Day to confirm registration of documents at the Land Titles Office and to obtain the advance of proceeds for any New Financing and Other Value.

4.5 If the Seller fails to deliver the closing documents according to clause 4.4, then payment of the Purchase Price and late interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them and to obtain the advance of proceeds for any New Financing and Other Value. Notwithstanding the foregoing, if the Buyer is otherwise ready, willing and able to close in accordance with this Contract and desires to take possession of the Property, then the Seller shall give the Buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the Buyer, if any, at the interest rate of such mortgage.

4.6 In circumstances where the Seller has complied with clause 4.4 but the Buyer is not able to close in accordance with this Contract, then the Seller may, but is not obligated to, accept late payment of the Purchase Price and give the Buyer possession upon reasonable terms. If the Seller agrees in writing to accept late payment of the Purchase Price under this clause then, whether or not possession is granted, the Buyer will pay late interest at the prime lending rate of the Province of Alberta Treasury Branches at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the Seller is paid in full. Payment received after noon on any day will be payment as of the next Business Day.

4.7 The Seller's lawyer may use the Purchase Price to pay out all mortgages, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title.

4.8 The Seller will pay the costs to prepare the closing documents; to prepare, register and discharge any Seller's caveat based on this Contract; and to provide the documents described in clause 4.11.

4.9 The Buyer will pay the costs to prepare, register and discharge any Buyer's caveat based on this Contract; and to register the transfer of land.

4.10 If the Property is rented and the Buyer is not assuming the tenancy, then the Seller is responsible for all costs related to ending the tenancy and to giving vacant possession to the Buyer.

4.11 As part of the normal closing documents, the Seller will provide the Buyer, regarding the matters described in clause 6.1, a real property report reflecting the current state of improvement on the Property, according to the Alberta Land Surveyors' Manual of Standard Practice, with evidence of municipal compliance or non-conformance. This obligation will not apply to any transaction where there are no structures on the land.

4.12 Notwithstanding the closing provisions in this Contract, the parties instruct their lawyers to follow, if appropriate, the Law Society of Alberta Conveyancing Protocol in the closing of this transaction.

5. INSURANCE

5.1 The risk of loss or damage to the Property shall lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

AB Seller's Initials

Buyer's Initials

6. REPRESENTATIONS AND WARRANTIES

~~6.1 The Seller represents and warrants to the Buyer that:~~

~~(a) the Seller has the legal right to sell the Property;~~

~~(b) the Attached Goods and Included Unattached Goods are in normal working order and are free and clear of all encumbrances;~~

~~(c) the Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);~~

~~(d) the current use of the Land and Buildings complies with the existing municipal land use bylaw;~~

~~(e) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach on neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;~~

~~(f) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Completion Day, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);~~

~~(g) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;~~

~~(h) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.~~

~~6.2 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.~~

~~6.3 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).~~

6.4 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.

7. ADDITIONAL TERMS

7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

7.2 This Contract is for the benefit of and shall be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.

7.3 All changes of number and gender shall be made where required.

7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.

7.5 In addition to any Schedules required in Section 8, the following Schedules form part of this Contract:

☐ Financing Schedule ☐ Addendum ☐ Property Schedule

7.6 Additional terms of sale (if any):

(a) Email may be used as an acceptable form of communication of the contract
(b) See attached Schedule "A"

CLOSING WILL BE 7 DAYS FROM COURT ACCEPTANCE

8. CONDITIONS

8.1 The Buyer's Conditions are:

(a) **Financing Condition**

This Contract is subject to the Buyer securing New Financing as follows:

- as per clause 2.2 (plus applicable mortgage insurance fee, if any)
- interest rate not to exceed _______ percent a year calculated semi-annually not in advance
- a term of not less than ________________________ years

Monthly payment of principal and interest not to exceed $ ________________________ (including mortgage insurance fee, if applicable) for an amortization of 25 years.

Before 9 p.m. on ____________________________, 20_______, (the "Condition Day").

The Buyer will pay for all costs associated with the New Financing.

(b) **Property Inspection Condition**

This Contract is subject to the Buyer's approval of a property inspection.

Before 9 p.m. on ____________________________, 20_______, (the "Condition Day").

A Property Inspection Schedule is attached to and forms part of the Contract. ☐ Yes ☑ No

(c) **Sale of Buyer's Home Condition**

This Contract is subject to the sale of the Buyer's home, as per attached Sale of Buyer's Home Schedule. ☐ Yes ☑ No

Before 9 p.m. on ____________________________, 20_______, (the "Condition Day").

(d) Additional Buyer's Conditions:

Before 9 p.m. on ____________________________, 20_______, (the "Condition Day").

8.2 The Seller's Conditions are:

This contract is subject to court approval

Before 9 p.m. on NOVEMBER 22, 20 13, (the "Condition Day").

8.3 If this Contract contemplates an assumption of mortgage, then it is subject to the lender confirming the assumability of the mortgage by the Buyer.

Before 9 p.m. on ____________________________, 20_______, (the "Condition Day").

This Condition is for the mutual benefit of both the Buyer and the Seller and cannot be waived unilaterally.

8.4 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

8.5 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.

8.6 Subject to clause 8.4, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

9. REMEDIES/DISPUTES

9.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

AB Seller's Initials ______ Buyer's Initials

9.2 If the Seller must restore title to the Property, enforce a lien against the Property or regain possession of the Property due to the Buyer's default, then the Buyer will pay the Seller's reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

9.3 The Seller and the Buyer agree that the Property is unique and that, in the event of a default by the Seller, the Buyer is entitled, without limiting any other remedies available in clause 9.1, to claim the remedy of specific performance.

10. ADVICE/DISCLOSURE

10.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

10.2 Any representations as to the measurements of the Buildings are only approximations and may not be accurate. The Buyer may wish to obtain an independent property inspection and verify the measurements of the Land and Buildings.

10.3 Unless there is written consent for alternate representation, the Seller's brokerage represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.

10.4 The Seller and the Seller's brokerage have signed a Seller Brokerage Agreement. The Seller directs the Seller's lawyer to honour the terms of the Seller Brokerage Agreement and in particular to close the transaction according to the irrevocable assignment of the Purchase Price contained in the Seller Brokerage Agreement.

10.5 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or the real estate boards(s) as required for closing and for reporting, appraisal and statistical purposes.

10.6 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

10.7 Dower consent may be required for this Purchase Contract to be binding if title is in only one name and the registered owner is legally married.

11. DEFINITIONS

11.1 In this Contract:

(a) *Business Day* means every day but Saturday, Sunday and statutory holidays.

(b) *Buyer's Agent* means the licensed brokerage (including its broker, all associate brokers and associates) that represents the Buyer.

(c) *Commission* means the sum owing from the Seller for services rendered under the Seller Brokerage Agreement plus GST.

(d) *Completion Day* is the day described in clause 4.1.

(e) *Deposits* mean the Initial Deposit plus all Additional Deposits.

(f) *Seller Brokerage Agreement* means any written service or commission agreement obligating the Seller to pay remuneration.

(g) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.

(h) *Seller's Agent* means the licensed brokerage (including its broker, all associate brokers and associates) that represents the Seller.

(i) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

12. REPRESENTATIVES/NOTICE

12.1 As long as the Representative Information in 12.2 is completed, the identified Representatives are authorized to send and receive any Notice on behalf of their respective clients.

12.2 For the purposes of giving and receiving any Notice, the communication must be in writing and

(a) delivered in person to the other party or its Representative, or

(b) delivered (or faxed) to an address (or fax number) specified below.

Note: The Representative Information must be completed in full by the Buyer's Agent at the offer stage prior to the Contract being signed in order to permit communication on the Representatives.

Seller's Information:

Seller's Address ______________________

______________________ (postal code)

Phone ______________________ Fax ______________________

Seller's Representative:

Frances Dares: frances@francesdares.ca
Broker, Associate Broker or Associate registered to the Brokerage

Brokerage Name ReMax House of Real Estate

Address #20, 2439 54th Ave SW Calgary AB T3E 1M4 (postal code)

Representative's Phone 403-880-7680 Representative's Fax 403-476-7694

Buyer's Information:

Buyers's Address ______________________

______________________ (postal code)

Phone ______________________ Fax ______________________

Buyer's Representative:

CHRIS ZAHARKO.
Broker, Associate Broker or Associate registered to the Brokerage

Brokerage Name Royal LePage Foothills

Address # 20, 1016 68 Ave SW (postal code)

Representative's Phone 245 4322 Representative's Fax 592-7704

13. OFFER

13.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

13.2 This offer/counter offer shall be open for acceptance in writing until 9:00 pm. on NOVEMBER 8, 20 13.

SIGNED AND DATED at CALGARY, Alberta at 2:00 pm. on NOVEMBER 8, 20 13.

X Victor Petrovic

Signature of Buyer

Print Name of Buyer

Signature of Witness

CHRIS ZAHARKO

Print Name of Witness

Signature of Buyer

Print Name of Buyer

Signature of Witness

Print Name of Witness

14. ACCEPTANCE

14.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at Calgary, Alberta at 3:20 p.m. on NOV 8, 2013.

Signature of Seller

Signature of Witness

910234 Alberta Ltd by its court appointed
Print Name of Seller

Sarah Hawco
Print Name of Witness

Signature of Seller

Signature of Witness

receiver Grant Thornton Ltd
Print Name of Seller

Print Name of Witness

15. FINAL SIGNING

15.1 **Final Signing of this Contract occurred at ____.m. on ____, 20____.**

Initials of the person(s) who signed last ____

CONVEYANCING

Seller's Lawyer ____

Lawyer's Address ____

____ (postal code)

Lawyer's Phone ____ Fax ____

Buyer's Lawyer ____

Lawyer's Address ____

____ (postal code)

Lawyer's Phone ____ Fax ____

SCHEDULE "A"

This is Schedule "A" to the Real Estate Purchase Contract
Entered into between

910234 Alberta Ltd., by its court appointed receiver Grant Thornton Limited

(the "**Seller**")

GRANT THORNTON AS RECEIVER FOR 910234 AB LTD.
641295 ALBERTA LTD.

(the "**Buyer**")

The legal description of the Property: Plan 0715416, Block 1, Lot 20

(the "**Property**")

The terms of this schedule replace, modify or add to the terms of the agreement of purchase and sale (the "**Real Estate Purchase Contract**") to which this schedule is attached. Where there is any inconsistency between the terms of this Schedule and the Real Estate Purchase Contract, the provisions of this Schedule shall prevail.

"AS IS - WHERE IS"

1. The Buyer acknowledges and agrees to purchase the Property, all buildings and improvements located on the Property, and any and all fixtures ("**Attached Goods**") and chattels ("**Unattached Goods**") including in the Real Estate Purchase Contract or included in the sale of the Property "as is" and "where is" as of the date of Possession, and agrees with the Seller that neither the Seller, nor its agents or representatives have made any representations or warranties with respect to the Property, any buildings or improvements located on the Property, or any Attached Goods or Unattached Goods included in the sale of the Property. Without limiting the generality of the foregoing, the Buyer agrees that neither the Seller nor its agents have made any representations or warranties with respect to:

   (a) the condition of any buildings or improvements located on the Property;

   (b) the condition of any Attached Goods or Unattached Goods included in the Real Estate Purchase Contract or otherwise sold with the Property;

   (c) whether the Property complies with any existing land use or zoning bylaws or regulations, or municipal development agreements or plans;

   (d) location of any buildings and other improvements on the Property and whether such location complies with any applicable municipal bylaws or regulations;

   (e) whether or not any buildings or improvements located on the property encroach onto any neighbouring lands or any easements or rights of way;

(f) whether or not any buildings or improvements located on any neighbouring lands encroach onto the Property;

(g) the size and dimensions of the Property or any buildings or improvements located thereon;

(h) whether or not the Property is contaminated with any hazardous substance within the meaning of the *Environmental Protection and Enhancement Act*; and

(i) whether or not any of the buildings or other improvements located on the Property have been insulated with urea formaldehyde insulation.

OWNERSHIP OF UNATTACHED GOODS

2. The Buyer agrees that the Seller is selling only such interest as it may have in any Attached Goods or Unattached Goods referred to in the Real Estate Purchase Contract, or which may be located on the Property as at the date of Possession, and the Seller does not warrant that it has title to such Attached Goods or Unattached Goods. Further, the Buyer agrees that the Seller will not be liable for the removal of any chattels found on the Property prior to or on the date of closing. On closing, the Buyer may have possession of the Attached Goods and Unattached Goods which are then on or about the Property on an "as is" basis, subject to the rights claimed by the prior registered owner, and the Seller will not provide a Bill of Sale, Warranty, or other title document to the Buyer. Further, there will be no adjustment or abatement of any kind to the Purchase Price with respect to any Attached Goods or Unattached Goods.

REAL PROPERTY REPORT & COMPLIANCE

3. The Seller is not required to provide the Buyer with a real property report or compliance certificate. Should the Seller provide the Buyer with a copy of a survey or real property report that it has in its possession, the Buyer agrees that any use of or reliance upon such document shall be at the Buyer's own risk. The Buyer must satisfy himself that the survey or real property report which the Seller might provide accurately reflects the Property and the buildings and improvements located thereon as they currently exist and the Seller shall not be responsible for any errors or omissions which might exist on such document.

   The Seller does not represent or warrant the accuracy or validity of the said survey or real property report or compliance certificate,

CONDOMINIUM

4. The Property is a condominium:

   (a) the Seller is not required to provide any condominium documentation to the Buyer, and the Buyer shall be solely responsible to obtain any condominium documentation he may require. Without limiting the generality of the foregoing, the Buyer must obtain on his own and at his sole cost and expense any estoppel certificate, copy of the condominium bylaws, and financial statements for the Condominium Corporation that he may require;

(b) the Buyer must satisfy himself with the condition of the condominium unit, the common property, and the financial condition of the condominium corporation and agrees that neither the Seller, nor its agents, have made any representations or warranties pertaining to same including, without limiting the generality of the foregoing, the adequacy of any reserve fund the condominium corporation might have, any potential special assessments which might be levied by the condominium corporation, or the existence of any legal actions pending against the condominium corporation;

(c) the Seller shall be responsible for amounts payable up to the closing date on account of any condominium fees and special assessments levied by the condominium corporation.

GOODS AND SERVICES TAX (G.S.T.)

5. In addition to the purchase price payable hereunder, the Buyer shall pay to the Seller and indemnify the Seller against all Goods and Services Tax ("G.S.T.") payable on the purchase price as required by the *Excise Tax Act*. The Seller will not provide to the Buyer a Certificate of Exempt Supply, or any other certificate certifying that this purchase and sale transaction is not subject to the Goods and Services Tax. Should the Seller fail to collect G.S.T from the Buyer, it shall not be construed by the Buyer as a certification by the Seller that no G.S.T. is payable by the Buyer hereunder, and the Buyer shall remain liable for any G.S.T. which might be payable with respect to this transaction.

ACCEPTANCE BY FACSIMILE

6. The Seller and Buyer agree that this contract may be signed in counterpart, and the acceptance of this offer communicated or confirmed by facsimile transmi~~ssion shall be~~ binding upon the parties. The Buyer agrees to promptly deliver an executed original Real Estate Purchase Contract to the Seller.

FORECLOSURE/RECEIVERSHIP PROCEEDINGS

7. If this offer is being made pursuant to or in a Court of Queen's Bench-foreclosure proceedings or a Court of Queen's Bench Receivership proceeding, such offer may only be accepted by order of said Court and is subject to the terms of that Order. Any agreement arising out of the Seller's acceptance of this offer is conditional upon the approval thereof of the said Court.

26. SIGNATURES

26.1 This Agreement may be signed by the parties and transmitted by fax. This procedure will be as effective as if the parties had signed and delivered an original copy.

This Agreement was signed on Sept 8, 20 13.

Signature of Seller	S Hawco Signature of Witness
Grant Thornton Ltd. in its capacity as Receiver Print Name of Seller	Sarah Hawco Print Name of Witness
Signature of Seller	Signature of Witness
of 910234 Alberta Ltd. Print Name of Seller	Print Name of Witness
Signature of Designated Agent (authorized to sign on behalf of the Brokerage)	FRANCES DARES Print Name of Designated Agent

(403) 880-7680 Phone	(403) 476-7694 Fax	frances@francesdares.ca Email

Note: *All communications are to be directed to the Designated Agent*

Seller: Initial here to show you have received a copy of this Agreement. Date

Acknowledgment

By signing this acknowlegment, you confirm that you have received the *Agency Relationships* guide explaining the various relationships you may choose to have with your REALTOR®.

RE/MAX HOUSE OF REAL ESTATE

Name of Brokerage

FRANCES DARES

Name of REALTOR®

GRANT THORNTON LTD. In its capacity as Receiver of 910234 Alberta Ltd.

Your name (print)

Your signature

Nov 8, 2013

Date

Note: This is not a service agreement and does not impose contractual obligations on you.

Appendix 3

gowlings

Gowling Lafleur Henderson LLP · Lawyers · Patent and Trade-mark Agents

1400 Scotia Centre
700 – 2nd Street S.W.
Calgary, AB T2P 4V5
T 403 298-1920
F 403 263 9193

November 14, 2013

REGISTERED AND ORDINARY MAIL

910234 Alberta Ltd.
c/o Registered Office
3000, 700 – 9 Avenue SW
Calgary, AB T2P 3V4

Re: The Toronto-Dominion Bank; Reference # 3281431 (calmusky)
27 Elveden Place SW, Calgary, AB T3H 0J1

We act for The Toronto-Dominion Bank with respect to the above noted loan which is now in default. The full balance of $572,275.91, calculated as follows, is, therefore, due:

Principal	$570,689.17
Interest to November 14, 2013	874.99
Occupancy check	36.75
TD Bank demand letter	150.00
Legal Fees and Disb.	525.00
Total as at today's date	**$572,275.91**
e&oe	

The amount quoted for legal fees includes the cost of preparation and registration of a discharge. Interest accrues at the daily rate of $62.50 (the *per diem*) **and must be added to the payout amount.** Unless you pay the amount above, plus per diem, by November 25, 2013, we will commence enforcement proceedings against you **without further notice**. Inspection costs and legal fees, which will be added to your balance, will increase significantly after that date, as will risk to your credit rating. Payment is to be made by **certified cheque or money order** to "Gowlings, in Trust" in the amount of $572,275.91 plus applicable *per diem*.

Payment must be sent directly to our office at 1400 Scotia Centre, 700 - 2nd Street S.W., Calgary, Alberta Canada T2P 4V5, attention Jennifer (403 298-1920) **or legal proceedings will continue.** Your automatic payments have been stopped, no further automatic payment withdrawals will be processed. The Toronto-Dominion Bank will not grant any extension of time for payment of the balance and will not accept partial payments.

Yours truly,
Gowling Lafleur Henderson LLP
per:

Tyler Bond/JY
file number A129158

3281431

BANKRUPTCY AND INSOLVENCY ACT (the "Act")

The Act requires, in certain circumstances, that an insolvent borrower be served with the following Notice of Intention to Enforce Security. This Notice provides a 10-day period for you to deliver a Proposal or a Notice of Intention to Make a Proposal, in the absence of which the Creditor may then proceed to enforce its security.

This Notice is being served only because it may be applicable and is not an admission by the Creditor that Part XI of the Bankruptcy and Insolvency Act applies to this Property. If the Creditor determines at any time that this part of the Act is not applicable, it may proceed at any time without regard to this notice or Part XI.

FORM 86

Notice of Intention to Enforce Security
(Rule 124)

To: 910234 Alberta Ltd., Insolvent Persons

Take notice that:

1. The Toronto-Dominion Bank, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

   (a) 27 Elveden Place SW, Calgary, AB T3H 0J1 (the "Property")
   (b) Rents and other income from the Property

2. The security that is to be enforced is in the form of a mortgage.

3. The total amount of indebtedness secured by the security is **$572,275.91**.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Calgary on November 14, 2013

The Toronto-Dominion Bank, Secured Creditor
by its lawyers
Gowling Lafleur Henderson LLP
per:

Tyler Bond
re file number A129158