

COURT FILE NUMBER **1501-11817**

COURT Court of Queen's Bench of Alberta

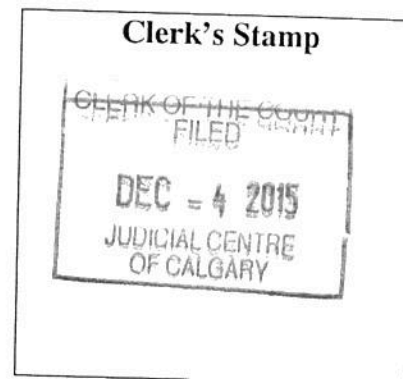
JUDICIAL CENTRE Calgary

PLAINTIFFS EASY LOAN CORPORATION AND MIKE TERRIGNO

DEFENDANTS BASE MORTGAGE & INVESTMENTS LTD.,
BASE FINANCE LTD. ARNOLD
BREITKREUTZ, SUSAN BREITKREUTZ,
SUSAN WAY, AND GP ENERGY INC.

DOCUMENT **Affidavit**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Riverside Law Office
Attention: Christopher M.A. Souster
4108 Montgomery View N.W.
Calgary, AB T3B 0L9
Phone: (403) 685-4224
Fax: (403) 685-4225



AFFIDAVIT OF CECILIA CHAU

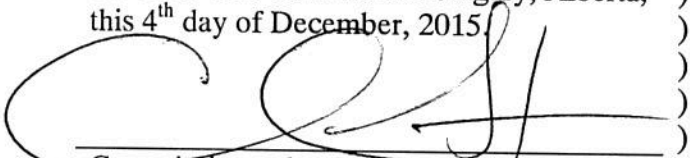
Sworn on December 4, 2015

I, Cecilia Chau, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Legal Assistant with the firm of Christopher M.A. Souster, Professional Corp., solicitor for the Plaintiff in this action and also for Terrigno Investments Inc., the Plaintiff in action number 1501-12147. As such, I have personal knowledge of the following information, except where I state that it is based on information from another person, in which case, I believe that information to be true.
2. Attached hereto as exhibit "A" to this my affidavit is a copy of the Statement of Claim in the foreclosure action.
3. Attached hereto as exhibit "B" to this my affidavit is a copy of the Statement of Defence of Base Finance Ltd., in the foreclosure action.
4. Attached hereto as exhibit "C" to this my affidavit is a copy of the Affidavit of Rocco Terrigno, sworn November 8, 2015 in the foreclosure action.
5. Attached hereto as exhibit "D" to this my affidavit is a copy of the Affidavit of Simon Cormier, sworn November 9, 2015 in the foreclosure action.

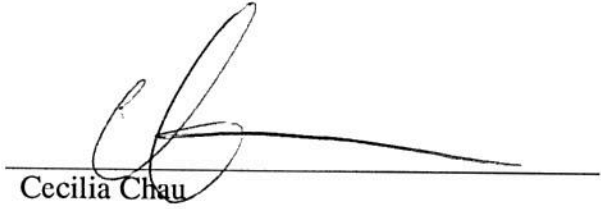
6. Attached hereto as exhibit "E" to this my affidavit is a copy of title for the subject property in the foreclosure action.
7. I make this Affidavit to provide evidence herein and for no improper purpose.

SWORN BEFORE ME at Calgary, Alberta,)
this 4th day of December, 2015)



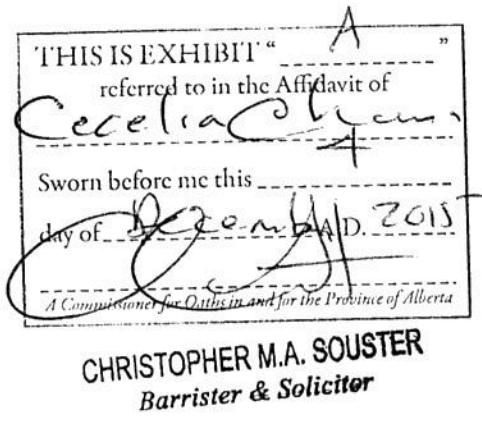
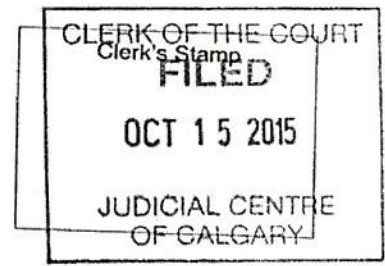
Commissioner for Oaths in and for the
Province of Alberta

CHRISTOPHER M.A. SOUSTER
Barrister & Solicitor



Cecilia Chau

COURT FILE NUMBER **4801-12147**
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFFS TERRIGNO INVESTMENTS INC.
 DEFENDANTS BASE FINANCE LTD.
 DOCUMENT **STATEMENT OF CLAIM**
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 RIVERSIDE LAW OFFICE
 Attention: Christopher M.A. Souster
 Barrister & Solicitor
 4108 Montgomery View N.W.
 Calgary, AB T3B 0L9
 Phone: (403) 685-4224
 Fax: (403) 685-4225
 E-mail: cmas@riversidelawoffice.ca



NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. By a memorandum of mortgage made under the *Land Titles Act* and dated April 5, 2012, and registered at the Land Titles Office for the South Alberta Land Registration District, Base Finance Ltd. mortgage to the Plaintiff, Terrigno Investments Inc., the following lands situate in Alberta.

MERIDIAN 4 RANGE 25 TOWNSHIP 24
 SECTION 17
 THE NORTH HALVES OF LEGAL SUBDIVISIONS 13 AND 14 IN THE NORTH WEST QUARTER
 CONTAINING 16.2 HECTARES (40 ACRES) MORE OR LESS
 EXCEPTING THEREOUT:

PLAN NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD 0211599	0.100	0.25	

EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK THE SAME
 and municipally described as: 242073 Range Road 255 Wheatland County, Alberta.

To secure payment of the sum of \$650,000.00 and registered in the Land Titles Office on April 14, 2012, as Instrument Number 121 090 249 with interest at a rate of 15% per annum both before and after maturity with a maturity date of April 15, 2013 (the "Mortgage").

2. The Plaintiff and the Defendants are both companies duly incorporated in the Province of Alberta.
3. By the Mortgage, it is provided that on default of payment of the principal or interest, or any monies thereby secured, the whole principal shall become payable.
4. By the Mortgage, the Mortgagor covenants with the Plaintiff to pay all liens, taxes, rates, charges, or encumbrances on the said lands which may fall due or be unpaid and also to insure the buildings on the Lands against damage by fire, in default of all or any of which the Plaintiff should have right to do the same, and add to the said Mortgage all costs and expenses and legal fees (on a solicitor and his own client basis) and disbursements incurred by it in that regard and in respect to all proceedings taken to realize the monies secured by said Mortgage and such amounts shall be treated as if it were a portion of the principal sum and interest at the applicable rate as set out in the Mortgage shall also be paid by the Mortgagor on such sums calculated and compounded as set out in the Mortgage.
5. The Mortgagors covenanted to pay the balance owing due and payable upon demand.
6. In the Mortgage, the Mortgagor agreed that all erections and improvements past, present or future, on the Lands become fixtures and part of the Lands secured by the Mortgage.
7. The Mortgage has matured and demand has been made for the full outstanding amount under the mortgage. Despite demand, the Defendants have refused or neglected to comply.
8. The Plaintiff says that the default herein of the Defendants have not been due to causes beyond the Defendants control and that having regard to the Defendant's ability to pay and the value of the Plaintiffs security, the period of redemption in this action should be shortened to less than six months.
9. There is due and owing to the Plaintiff on the Mortgage as follows:

Principal Balance outstanding as at October 5, 2015	\$650,000.00
Accrued Interest to October 5, 2015	\$412,711.41
Plus per diem interest of \$406.26 thereafter	

10. The Plaintiff relies on the provisions of the *Land Titles Act (Alberta)*, the *Law of Property Act (Alberta)*, and all amendments thereto.
11. The Plaintiff proposes that the trial of this action shall be tried at the Court House, in the City of Edmonton, in the Province of Alberta, and will take less than 25 days to try.

Remedy sought:

12. A declaration as to the amount owing under the said Mortgage, with interest according to the terms of the said Mortgage and in default of payment, sale or foreclosure and possession of the said lands;
13. An Order for Possession;
14. An Order for the Appointment of a Receiver;
15. A Preservation Order;
16. An Order shortening the redemption period to less than six (6) months or as the Court may direct;
17. Such other relief as the case may require and this Honourable Court may deem meet;
18. Costs of this action on a solicitor and his own client basis.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at ^{Edmonton} Wetaskiwin, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

CLERK OF THE COURT
FILED
 NOV 13 2015
 JUDICIAL CENTRE
 OF CALGARY

Form 11
 [Rule 3.31]

Clerk's Stamp.

COURT FILE NUMBER 1501-12147
 COURT OF QUEEN'S BENCH OF ALBERTA CALGARY
 JUDICIAL CENTRE
 PLAINTIFF(S) TERRIGNO INVESTMENTS INC.
 DEFENDANT(S) BASE FINANCE LTD.

THIS IS EXHIBIT " B "
 referred to in the Affidavit of
Cecelia Chau
 Sworn before me this 4
 day of December A.D. 2015
A Commissioner for Oaths in and for the Province of Alberta

CHRISTOPHER M.A. SOUSTER
 Barrister & Solicitor

DOCUMENT STATEMENT OF DEFENCE

PARTY FILING THIS DOCUMENT ROBERT C. P. SMYTH
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT 204, 8408 Elbow Drive SW
 Calgary, Alberta T2V 1K7

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Defendant admits paragraphs 1, 2, 3, and 6 of the Statement of Claim.
2. Save as is herein specifically admitted, the Defendant denies each and every other allegation contained in the Statement of Claim as fully and effectively as if each were set forth herein and separately denied.
3. The Defendant specifically denies paragraph 5 of the Statement of Claim that the mortgage was payable on demand but rather the Defendant paid interest on the mortgage every 6 months and the next 6 month term expires November 15, 2015. The Defendant on May 7, 2015 paid interest totalling \$48,792.00, thereby bringing the mortgage current.
4. The Defendant specifically denies the allegation in paragraph 9 of the Statement of Claim that there is accrued interest on the mortgage totalling \$412,711.41 and states the Plaintiff is including interest owing on other investments between the parties, which are not attributable to this mortgage.
5. The Defendant consents to the trial of this action being held at the Court House, Calgary, Alberta.

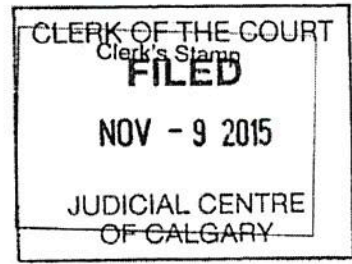
Any matters that defeat the claim of the Plaintiff(s):

6. The mortgage was not in default at the time of the filing of the Statement of Claim nor at the time of filing the Statement of Defence.

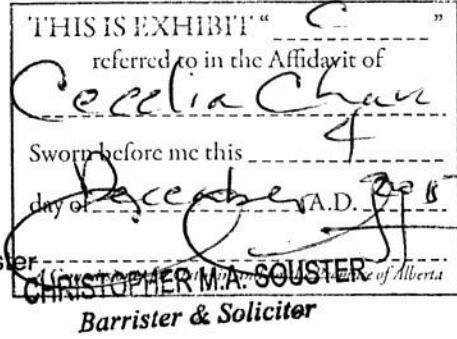
Remedy sought:

Dismissal of the Plaintiff's claim with costs to the Defendant on an indemnity basis.

COURT FILE NUMBER *1701* 4801-12147
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF TERRIGNO INVESTMENTS INC.
 DEFENDANT BASE FINANCE LTD.
 DOCUMENT AFFIDAVIT OF DEFAULT



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 RIVERSIDE LAW OFFICE
 Attention: Christopher M.A. Souster
 Barrister & Solicitor
 4108 Montgomery View N.W.
 Calgary, AB T3B 0L9
 Phone: (403) 685-4224
 Fax: (403) 685-4225
 E-mail: cmas@riversidelawoffice.ca



AFFIDAVIT OF ROCCO TERRIGNO
Sworn on November 8, 2015

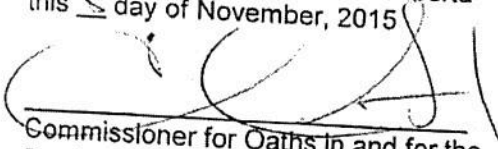
I, **Rocco Terrigno**, of the City of Calgary, in the Province of Alberta, Businessman, MAKE OATH AND SAY:

1. That I am a director of the Plaintiff, and that as such I have the authority of the corporation to swear this affidavit on its behalf, and that I have knowledge of the within matters except where stated to be based upon information and belief, and whereso stated, I do believe same to be true.
2. By a Memorandum of Mortgage made under the Land Titles Act, registered in the Land Titles Office for the South Alberta Land Registration District on the 18th day of April, A.D. 2012, now shown to me and marked Exhibit "A" to this my Affidavit, BASE FINANCE LTD., (hereinafter called the Mortgagor and/or Defendant), mortgaged to the Plaintiff, the lands in question herein to secure payment of the sum of – SIX HUNDRED FIFTY THOUSAND DOLLARS -- (\$650,000.00) (hereinafter referred to as "the principal sum") with interest as in the said Memorandum of Mortgage provided.
3. The said principal sum was actually advanced by the Mortgagee to the Mortgagor in full.

4. By the said Memorandum, the Mortgagors covenanted to pay the interest to the Mortgagee on the said sum at the said rate on the days and times and in the manner mentioned in the Mortgage.
5. By the said Memorandum, it is provided that on default of payment of the principal and interest, or any monies thereby secured, the whole principal shall become due and payable.
6. By the said Memorandum, the Mortgagors covenanted with the Mortgagee to pay all liens, taxes, rates, charges or encumbrances on the said lands which may fall due and unpaid, and also to insure the building(s) on the said lands against damage by fire, in default of any of which the Mortgagee shall have the right to do the same, and add to the said Mortgage all costs and expenses incurred by it in that regard and in respect of all proceedings taken to realize the monies secured by the said Mortgage.
7. The Plaintiff is not now and never has been since the date of the said Mortgage, nor have any person or persons by its order or to my knowledge or belief for its use, been in profits received by the Plaintiff, if any, are included in the mortgage balance hereinafter set out.
8. Default has been made in payment of the principal sum, in payment of the interest and in payment of property taxes pursuant to the terms of the Mortgage as set out below, which has been demanded by the Plaintiff but the Defendant has refused and/or neglected to pay same.
9. There is now justly and truly owing by the Defendant to the Plaintiff under and by virtue of the said Mortgage the principal sum of \$650,000.00 plus accrued interest of \$423,680.00 to and including November 1, 2015, for total outstanding amount of \$1,073,680.30 as at November 1, 2015, with per diem interest thereafter of \$406.26.
10. There are also property taxes owing to Wheatland County for the 2015 tax year, due and owing on June 30, 2015, in the amount of \$3,601.74 as of October 15, 2015. Attached as Exhibit "B" is a copy of the tax certificate.
11. I understand that the Alberta Securities Commission froze all of the funds of Base Finance Ltd. on September 29, 2015, and attached hereto as Exhibit "C" is a copy of that section 47 Order to Freeze Property.
12. BDO Canada Limited was appointed the receiver for Base Finance Ltd. on or about October 15, 2015. That receiver order was amended on two occasions and attached as Exhibit "D" hereto is a copy of the most recent Order dated November 6, 2015.
13. I was in attendance for the November 6, 2015 court application and heard the representations of counsel for the ASC. It is my understanding that an application was made before the ASC on November 5, 2015, and an Interim Cease Trade order was issued as against Base Finance Ltd., amongst other associated or related Base companies.
14. Speaking positively for myself, in my belief, I verily believe that the Defendant has no defence to the Plaintiff's claim.

15. I make this Affidavit in support of my application for an immediate order for foreclosure.

SWORN BEFORE ME
At Calgary, in the Province of Alberta
this 5 day of November, 2015



Commissioner for Oaths In and for the
Province of Alberta

CHRISTOPHER M.A. SOUSTER
Barrister & Solicitor

)
)
)



ROCCO TERRIGNO

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

121090249

ORDER NUMBER: 29454028

THIS IS EXHIBIT "A" referred to in the Affidavit of ROCCO TERRANO Sworn before me this 8 day of NOVEMBER 2015 CHRISTOPHER M.A. SOUSTER <i>Registrar & Solicitor</i>
--

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

THE LAND TITLES ACT

MORTGAGE

Mortgage means the Mortgage of the Lands as herein below defined, any schedule attached to it and this set of terms and provision. The "Mortgagor " and "You" or "I" refer to each person who signs the Mortgage as Mortgagor and their heirs, executors, administrators, successors and assigns. Where more than one person signs the Mortgage, the liability shall be joint and several. "Mortgagee " refers to the Mortgagee ("Terrigno Investments Inc.") and its successors and assigns. "Principal Sum" means the principal amount set out in this Mortgage document and any additions that can be added to it in accordance with the terms and provisions herein. The "Interest Rate" means the interest rate set out in this Mortgage document. "Lands" or "Property" means the land described in this Mortgage document and all fixtures, buildings, improvements, and other structures thereon whether now or in the future.

Base Finance Ltd ("Mortgagor") being registered as owner of an estate in fee simple in possession, subject however to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed hereon, of all and singular that certain piece or parcel of land situate in the Province of Alberta, in the Dominion of Canada, being composed of:

MERIDIAN 4 RANGE 25 TOWNSHIP 24
SECTION 17
THE NORTH HALVES OF LEGAL SUBDIVISIONS 13 AND 14 IN THE NORTH WEST QUARTER
CONTAINING 16.2 HECTARES (40 ACRES) MORE OR LESS
EXCEPTING THEREOUT:
PLAN NUMBER HECTARES (ACRES) MORE OR LESS
ROAD 0211599 0.100 0.25
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

(hereinafter referred to as "Lands" or "Property")

in consideration of the sum of Six Hundred Fifty Thousand (\$650,000.00) DOLLARS (the "Principal Sum") lent to me by Terrigno Investments Inc, 201-10th ST NW Calgary AB T2N 1V5 (who and whose heirs, executors, administrators, successors and assigns are hereinafter included in the expression "the Mortgagee"), the receipt of which sum I do hereby acknowledge, covenant with the Mortgagee:

FIRSTLY: That the Mortgagor will pay to the Mortgagee in lawful money of Canada at Calgary, Alberta, Six Hundred Fifty Thousand (\$650,000.00) DOLLARS (the "Principal Sum") + interest as noted herein which shall become due and payable on the maturity date of **April 15, 2013**. Interest at the rate of Fifteen (15%) percent, simple, per annum, shall be calculated during the term of this mortgage including after maturity, default, renewal, judgment or payment of any amount which

THIS DOCUMENT HAS BEEN AMENDED BY THE MORTGAGOR AND MORTGAGEE AND THEY HAVE INITIALED ACCORDINGLY.

the Mortgagee pays in order for the Mortgagor to be in compliance with this Mortgage an amount. On October 15, 2012 Six (6) months payment of interest only shall be paid to the Lender of accrued interest over that period of the term.

SECONDLY: In the event of any default being made in the payment of the balance of principle, bonus or interest on the maturity date of April 15, 2013, secured under this Mortgage the same shall thereupon become part of the principal hereby secured and shall bear interest from the time when the same became due at the rate of Fifteen (15%) percent, and on each day when any instalment of interest falls due hereunder in each and every year until the whole of the said principal, bonus and interest secured hereby is fully paid and satisfied, all sums of money, whether interest or otherwise then due and remaining unpaid shall become principal and bear interest at the rate aforesaid And the Mortgagor covenants that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the right of the Mortgagee to interest at the above rate on any moneys due or owing to the Mortgagee during the continuance of this security under any of the covenants herein contained or on any judgment to be recovered thereon.

THIRDLY: And the Mortgagor hereby agree that if any default shall happen to be made in any payment of principal or interest or any of the moneys hereby secured or any part thereof, then, and in such case, the whole principal moneys hereby secured shall at the option of the Mortgagee, become due and payable in like manner to all intents and purposes as if the time herein mentioned for payment of such principal money had fully come and expired. AND in the event of my making a breach of any of the covenants in this Mortgage contained then such breach shall be deemed to be a default in payment of interest, and the Mortgagee shall at its option be at liberty to call in forthwith the whole of the principal and interest secured by this Mortgage and eject all persons in possession of the mortgaged premises. PROVIDED, however, and the parties hereby agree that the powers in this paragraph contained must be actually invoked to become effective and that nothing herein contained shall cause the Statute of Limitations to commence to run unless and until the Mortgagee shall actually exercise the option hereinbefore contained.

FOURTHLY: And the Mortgagor further covenant with the Mortgagee that the Mortgagor will forthwith insure and during the continuance of this security keep insured against loss or damage by fire each and every building on the said lands to the extent of their full insurable value in an Insurance company acceptable to the Mortgagee. And that the Mortgagor will not do or suffer anything whereby the said policy or policies may be vitiated. And that the Mortgagor will pay all premiums and sums of money necessary for such purposes as the same shall become due and will assign and deliver over to the Mortgagee the policy or policies of insurance and the receipt or receipts thereto appertaining. And if the Mortgagor shall neglect to keep the said buildings of any of them insured as aforesaid, or to pay the said premiums, or to deliver such receipts, then it shall be lawful for the Mortgagee to insure the said buildings and all moneys expended by the Mortgagee with interest at the rate aforesaid computed from the time or times of advancing the same, shall be repaid by the Mortgagor to the Mortgagee on demand, and in the meantime the amount of such payments shall be added to the said principal sum hereby secured and shall bear interest at the rate

aforesaid from the time of such payment and shall be payable at the time appointed for the next ensuing payment of interest on the said principal sum and all such payments shall become a part of the principal secured by this mortgage and shall be charged upon the said lands and all my estate and interest therein. Evidence of the renewal of such insurance shall be produced to the Mortgagee at least seven days before the insurance then existing shall expire, otherwise the Mortgagee may insure as hereinbefore provided.

FIFTHLY: And it is hereby agreed that all moneys received by virtue of any policy or policies of insurance may, at the option of the Mortgagee, either be forthwith applied in or towards substantially rebuilding, reinstating and repairing the said building, or in or towards the payment of the last instalment of principal falling due under and by virtue of these presents and in the case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid, and in the case of a surplus, then in or towards payment of interest at the rate aforesaid and so on until the whole of the principal sum and interest hereunder shall be fully paid and satisfied, the balance, if any, to be paid to the Mortgagor.

SIXTHLY: And the Mortgagor further agree to furnish, forthwith on the happening of such loss or damage by fire or other hazard or peril, and at my expense, all the necessary proofs of loss and do all the acts necessary to enable the Mortgagee to obtain payment of the insurance moneys.

SEVENTHLY: And for the purpose of better securing the punctual payment of the interest on the said principal sum, I do hereby attorn to and become tenant of the Mortgagee for the said lands, at a yearly rental equivalent to the annual interest payable hereunder, to be paid in manner and on the days and times before appointed for the payment of the said interest; and on payment thereof the same shall be taken to be, and shall be, in satisfaction of the said interest; but nothing in this provision shall make the Mortgagee chargeable or accountable as Mortgagee in possession. Provided, also that the Mortgagee may at any time after default in payment or performance of any covenant or condition hereunder, enter into and upon the said lands, or any part thereof, and determine the tenancy hereby created, giving only 48hrs notice to quit.

And it is further agreed between the parties hereto that in the event that the lands are vacant or apparently vacant, or in the event it would appear that there is any present risk of destruction or damage to the Lands whether or not the Mortgagor is in default under the terms of this Mortgage, the Mortgagee shall have the right to enter any building located upon the lands and shall have the right to forcibly enter if necessary for the purpose of preserving the said building and maintain adequate electricity, heat to any building on the Lands. The Mortgagee shall not by such action be deemed to be a Mortgagee in possession and shall not be considered a trespasser. All of the Mortgagee's costs with respect to so protecting or preserving any buildings on the Lands or the Lands itself or in maintaining heat and electricity shall be added to the principal secured by this Mortgage and charged simple interest at a rate of Fifteen (15%) percent and shall be a charge upon the Lands.

EIGHTHLY: And, further, that if the Mortgagor shall make default in payment of any part of the said principal, Bonus, or interest or any other moneys hereby intended to be secured at any day or time hereinbefore limited for the payment thereof, it shall and may be lawful for the Mortgagee, and I do hereby grant full power and license to the Mortgagee to enter, seize and distain upon the said lands, or any part thereof, and by distress warrant to recover by way of rent reserved, as in the case of a demise of the said lands, as much of the said principal, interest and other moneys as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent.

NINTHLY: It is also covenanted between the Mortgagor and the Mortgagee that if the Mortgagor shall make default in payment of the principal sum, Bonus or interest thereon or any part thereof at any of the before appointed times, then the Mortgagee shall have the right and power, and the Mortgagor hereby covenants with the Mortgagee for such purpose, and do grant to the Mortgagee full license and authority for such purpose when and so often as in its discretion shall think fit to enter into possession, either by itself or its agent, of the said lands, and to collect the rents and profits thereof, and to make any demise or lease of the said lands, or any part thereof for such terms, periods, and at such rent as he shall think proper, and that any proceedings for sale or foreclosure may be taken either before or after and subject to such demise or lease.

TENTHLY: And it is further agreed between the Mortgagor and the Mortgagee that the Mortgagor will pay all taxes, utilities and rates, liens which are now or may hereafter be levied or charged against the said lands or on this mortgage or on the Mortgagee in respect of this mortgage and that the Mortgagee may at such time or times as it may deem necessary at its sole discretion, without the concurrence of any other person, make arrangements for the repairing, finishing, adding to or putting in order any building or buildings, or improvements on the said lands and for managing and taking care of the said lands and premises and may pay any such taxes and rates and any liens, charges or encumbrances upon the said lands, and moneys for insurance, and the amount so paid or indebtedness incurred as aforesaid by the Mortgagee, together with all costs, charges and expenses which may be incurred in connection therewith or in the taking, recovering and keeping possession of the said lands or inspecting the same (including allowance for the time and services of any agent of the Mortgagee appointed for such purpose) and generally in any other steps or proceedings whether in Court or not taken to protect his security or realize the moneys hereby secured, or to perfect the title to the said lands, shall become part of the principal hereby secured and be a charge on the said lands in favour of the Mortgagee, and shall be payable forthwith by the Mortgagor, my heirs, executors, administrators or assigns to the Mortgagee with interest at the rate aforesaid until paid and in default proceedings for sale or foreclosure may be taken, in addition to all other remedies. In the event of the money hereby advanced, or any part thereof, being applied to the payment of any charges or encumbrances, the Mortgagee shall stand in the position of and be entitled to all the rights and remedies whether legal or equitable of the person or persons so paid off, whether any such charges or encumbrances have or have not been cancelled or discharged.

Mortgagor covenant to pay when and as the same fall due all taxes, rates, condominium levies, liens, charges, encumbrances or claims which are or may be or become charges or claims against the Lands or on this Mortgage or on the Mortgagee in respect of this Mortgage; provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Lands, the Mortgagee shall have the right but not the obligation to collect said taxes in the following manner:

- (a) The Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which are due or accruing due as at the date of the advance;
- (b) After the date for adjustment of interest Mortgagor shall pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums estimated by the Mortgagee to be sufficient to pay the whole amount of taxes on or before the due date for payment thereof or, if such tax amount is payable in instalments, then the full amount of such taxes, on or before the due date for payment of the first instalment thereof;
- (c) Except as provided in the last preceding clause, Mortgagor shall, in each and every month, pay to the Mortgagee one-twelfth of the amount (as estimated by the Mortgagee) of the taxes next becoming due and payable; and shall also pay to the Mortgagee, on demand, the amount, if any, by which the actual taxes exceed such estimated amount.
- (d) The Mortgagee agrees to apply such deduction and payments on the taxes chargeable against the said Lands so long as Mortgagor are not in default under any covenant, proviso or agreement contained in the Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Mortgagee shall have so been applied, there shall be default by me in respect of any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default. Mortgagor further covenant and agree to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes and rates, condominium levies, liens, charges and encumbrances, forthwith after the receipt of same by the Mortgagor.
- (e) Mortgagor further agree that Mortgagor shall not be entitled to any interest on any monies paid by me to the Mortgagee on account for the taxes, rates, liens, charges, or claims above noted.
- (f) Notwithstanding the foregoing, the Mortgagee shall not be obliged to collect taxes as aforesaid and at its option may leave the payment thereof to the Mortgagee.

ELEVENTHLY: Provided that upon default being made for a period of two calendar weeks in payment of any of the moneys hereby secured, the Mortgagee shall be entitled to sell and convey the said lands and premises, without entering into possession of the same and without giving any notice to me of his intention so to do, and either before or after and subject to any demise or lease made by the Mortgagee as hereinbefore provided. Provided that any sale made under the

powers hereby given may be on such terms as to credit or otherwise as shall appear to the Mortgagee most advantageous, and for such price as can be reasonably obtained therefor, and that sales may be made of any portion or portions of the mortgaged lands and premises, from time to time to satisfy any interest, Bonus or any part of the principal overdue, leaving the principal, Bonus or balance thereof to run at interest payable as aforesaid, and that the Mortgagee may make any stipulation as to title or otherwise as to the Mortgagee may seem proper, and the Mortgagee may buy in or rescind or vary any contract for sale of any of the said lands and premises, and resell without being responsible for any loss occasioned thereby, and for any of the said purposes may make and execute such agreements and assurances as shall be by the Mortgagee deemed necessary.

TWELFTHLY: Provided that the Mortgagee shall not be entitled to a discharge of this mortgage until and unless the Mortgagor shall have kept and performed all of the covenants, provisos, agreements and stipulations herein contained, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or otherwise, and I covenant with the Mortgagee that the Mortgagor shall and will in everything do, perform and keep all the provisions and covenants in these presents, according to the true intent and meaning thereof.

THIRTEENTHLY: And it is further agreed between the Mortgagor and the Mortgagee that the said Mortgagee shall not be bound for any reason whatsoever to advance the money hereby intended to be secured nor shall the Mortgagee, in the event of advancing or having advanced a portion, be bound to advance the balance hereof. And it is further agreed that the Mortgagee may release any part or parts of the said lands at any time at his discretion, either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands, or any collateral security, or any person from this mortgage, and from any of the covenants herein contained or contained in any collateral security.

FOURTEENTHLY: And it is hereby declared and agreed that any erection, machinery, fixed or otherwise, buildings or improvements hereafter put upon said premises shall thereupon become fixtures, and be part of the realty and form a part of this security. Without the prior written consent of the Mortgagee, the Mortgagor shall not make any material alterations or changes or additions to any buildings located on the Lands or to the Lands itself and without limitation to any buildings thereon or in respect of any use of the Lands, and then only in accordance with any terms or conditions that the Mortgagee may impose in respect of its consent thereto, it being the intention hereof that any such alterations, additions or changes shall not in the opinion of the Mortgagee adversely affect the security of this Mortgage either during or after the making of such alterations, changes or additions. And the Mortgagor shall retain the labour of qualified and insured person(s) or corporation(s) to do alternation, addition or change which insurance coverage shall satisfy any reasonably foreseeable damage that can be sustained as a result of the alternation, addition or change.

FIFTEENTHLY: In case of default being made in any of the covenants, agreements, provisos, and stipulations herein contained, and by reason of such default the Mortgagee considers it necessary to place this mortgage in the hands of his solicitors for the purpose of having such default

remedied then I covenant and agree with the Mortgagee to pay the full costs of said solicitors as between solicitor and his own client.

PROVIDED that upon default being made in payment of any of the monies hereby secured, Mortgagor hereby appoint the Mortgagee attorney on my behalf and the Mortgagee shall be entitled to sell and convey the said Lands without entering into possession of the same and without giving any notice to the Mortgagor of its intention to do so, and either before or after and subject to any demise or lease made by the Mortgagee as hereinbefore provided. Provided that any sale made under the powers hereby given may be on such terms as to credit or otherwise as shall appear to the Mortgagee most advantageous, and for such price as can be reasonably obtained therefore, and that sales may be made of any portion or portions of the Mortgaged Premises from time to time to satisfy any interest or any part of the principal overdue, leaving the principal balance thereof to run at interest payable as aforesaid, and the Mortgagee may make any stipulation as to the title or otherwise as the Mortgagee may deem proper, and the Mortgagee may rescind or vary any contract for sale of any of the said Lands and resell without being responsible for any loss occasioned thereby, and for any of these purposes may make and execute such agreements and assurances as the Mortgagee deems necessary.

SIXTEENTHLY: And the Mortgagor further covenant and agree that the Mortgagor will not permit or suffer any act of waste upon the said lands; and will during the existence of these presents well and sufficiently repair, maintain, amend and keep the buildings now or hereafter on the said lands and all fixtures and things thereunto belonging in good and substantial repair.

SEVENTEENTHLY: And the Mortgagor further covenant and agree that if the principal or any part thereof be not paid when the same falls due under the terms hereof then neither I nor my heirs, executors, administrators or assigns shall have the right to pay the same except after three months' notice in writing to the Mortgagee, or upon the payment of three months' bonus of interest upon the same in lieu of such notice.

EIGHTEENTHLY: In the event that this Mortgage is granted and approved by the Mortgagee as a second or subsequent charge against the Lands or in the event that this Mortgage is postponed to any mortgage or charge upon the said Lands, the Mortgagor covenants and agree that it will well and truly pay all money accruing under all prior mortgages and encumbrances charging the Lands as and when the same shall become due and that the Mortgagor will well and truly observe and perform the covenants of the mortgagor or encumbrancer in any prior mortgage or encumbrance and in any event the Mortgagor shall make default in payment of the said monies due under any prior mortgage or encumbrance then such default or failure shall constitute default under this Mortgage; AND FURTHER that in the event of default in payment of monies due under any prior mortgage or encumbrance, the Mortgagee shall have the right, but not obligation, to pay the same and any monies so paid by the Mortgagee herein shall forthwith be due and payable to the Mortgagee together with interest thereon at the rate of Fifteen (15%) percent and shall be a charge upon the Lands and shall be recoverable, *inter alia*, by foreclosure proceedings along with other monies secured by this

Mortgage.

NINETEENTHLY: And it is further agreed that the waiver of one or more defaults under this Mortgage shall not be construed as a waiver of any subsequent or other default. AND it is further agreed that the foreclosure, cancellation or any other dealing with any other security for the moneys advanced hereunder or secured hereby shall not release or affect this Mortgage and that the taking of this Mortgage or the foreclosure or cancellation of or any other dealing with, or proceedings under this Mortgage shall not release or affect any other security held by the Mortgagee for the moneys advanced or secured hereby.

TWENTIETHLY: And it is further agreed that all fees and charges of the Mortgagee's Solicitors in connection with the preparation and registration of this Mortgage and passing on my title to the said land shall be paid by me forthwith and if I make default in paying the same the Mortgagee may pay the amount of such fees and charges and add the amount so paid to the principal sum hereby secured and it shall thereafter be a charge on the said lands in favour of the Mortgagee and shall be repayable with simple interest as aforesaid of Fifteen (15%) percent.

TWENTY-FIRSTLY: And the Mortgagor hereby covenants with the Mortgagee that the Mortgagor shall:

1. Have a good title to the said lands and an estate in fee simple;
2. Have a right to mortgage the said lands;
3. And that in default the Mortgagee shall have quiet possession of the lands free from all encumbrances;
4. Will execute further assurances of the lands as may be requisite;
5. Have done no act to encumber the lands;
6. All documents and papers concerning or affecting the title of the said lands shall be held by the Mortgagee during the currency of this Mortgage.

TWENTY-SECONDLY: And it is agreed that this mortgage and all the covenants herein shall be binding upon and ensure to the benefit of the executors, administrators, successors and assigns of the parties hereto respectively and wherever the singular or masculine is used throughout this Mortgage the plural or feminine or a body corporate shall be implied wherever the context so requires. And it is further agreed that if this Mortgage is entered into and executed by more than one person then all the covenants and stipulations herein contained and implied shall apply to and be binding upon all the Mortgagors jointly and severally.

And for the better securing to the Mortgagee the repayment in manner aforesaid of the principal and interest and other charges and money hereby secured I do hereby mortgage to the said Mortgagee all my estate and interest in the said lands. ✓

TWENTY-THIRDLY: And the Mortgagee further covenants and agrees with the Mortgagor

that provided the Mortgagor is not in default of any of the terms of this Mortgage, this mortgage loan shall not be repaid.

TWENTYFORTHLY: **Due on Sale:** In the event that the Mortgagor sells, conveys, transfers, or enters into any agreement of sale or transfer of the title of the lands all monies hereby secured shall forthwith become due and payable.

TWENTYFIFTHLY: **Due on Change in Ownership:** In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then at the sole discretion of the Mortgagee all monies hereby secured shall forthwith become due and payable.

TWENTYSIXTHLY: IT IS AGREED that the Mortgagor shall not have the privilege of paying a greater amount or the full amount owing at any time before the maturity date.

TWENTYSEVENTHLY: THE mortgagor hereby covenants to perform, observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of the existing first mortgage against the said lands in favour of Toronto Dominion Bank. It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of the said first Mortgage, then the Mortgagor shall be deemed to be in default under the terms of this Mortgage.

TWENTYEIGHTHLY: NOTWITHSTANDING any other provisions hereof, the whole of the unpaid principal, Bonus and interest hereby secured shall, at the sole discretion of the Mortgagee, forthwith become due and payable as if the time herein mentioned for payment had expired, if the Mortgagor sells, assigns, transfers or conveys or otherwise disposes of all or any of their interest in the within property.

TWENTYNINETHLY: The Mortgagor acknowledges and agrees that the payment of interest and any bonus and further consideration to the Mortgagee is fair payment based on the business terms of the Mortgage. The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event shall the total payment to the Mortgagee whether interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada) and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under the Mortgage securing this Mortgage (as "interest" and "credit advances" are defined in Section 347 of the Criminal Code (Canada) shall not exceed an effective annual rate of interest of Sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advance under the Mortgage

AFFIDAVIT OF EXECUTION


CANADA)
PROVINCE OF ALBERTA)
TO WIT:)

I, KIRK CHARTON, of the City of Calgary, in the Province of Alberta,
MAKE OATH AND SAY:

1. THAT I was personally present and did see ARNOLD BREITKREUTZ, the signing officer of BASE FINANCE LTD named in the within Instrument, who is personally known to me to be the person(s) 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 I am the subscribing witness thereto.
3. THAT I know the said person he is in my belief of the full age of eighteen years.

SWORN TO at the City of)
Calgary, in the Province of Alberta)
this 5 day of April,)
A.D. 2012.)




Commissioner For Oaths in and
for the Province of Alberta
STUDENT-AT-LAW
Mike Ferris


LAND TITLES ACT
(Section 152.3)

**AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY**

I, Arnold Breithardt, of the City of Calgary, in the Province of Alberta, make oath and say:

1. I am an officer or a director of **BASE FINANCE LTD** named in the within or annexed instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN before me at the City)
of Calgary, in the Province of)
Alberta, this 5 day of)
April, 2012.)

)

A Commissioner for Oaths in and for
the Province of Alberta

Mike Ferris
Student At-Law





121090249

121090249 REGISTERED 2012 04 18

MORT - MORTGAGE

DOC 1 OF 3 DR# : F0204FD ADR/DGREAVET

LINC/S: 0029322583



WHEATLAND COUNTY

Hvy. 1, R.R. 1 Strathmore, Alberta T1P 1J6 Tel. (403) 934-3321 Fax (403) 934-4889
Web: www.wheatlandcounty.ca

T A X C E R T I F I C A T E

Roll Number: 8180000 Certificate Number: 13444

Legal Description: M-Rg-Twp-Sc-PS
4-25-024-17-NW

Municipal Address:
Assessable Area: 39.750 Acres

LINC #: 0029322583
Title #: 131214958

Subdivision:

Tax year: 2015	2014	2015	
Tax Levy: \$	3,473.06	3,430.23	
	Current Taxes Outstanding: \$		3,601.74
	Arrears Taxes Outstanding: \$.00
Total amount of taxes payable at this date: \$			<u>3,601.74</u>

Monthly Payment Plan - payment amount of: .00
 PreAuthorized Monthly Payment Plan (TIPPS) amounts are withdrawn from the owners bank account on the first day of each month.

2015 TAXES WERE DUE ON JUNE 30, 2015. A 5% PENALTY WAS ADDED TO THE UNPAID TAXES AFTER THE 30TH DAY OF JUNE 2015 AND A FURTHER 5% PENALTY WILL BE ADDED AFTER THE 30TH DAY OF NOVEMBER 2015. (EXCEPTING PROPERTY ON TIPPS)
 NOTE: Properties with arrears may be billed for costs which do not appear on this Certificate; PLEASE CONTACT THE TAX CLERK BEFORE RELEASING FINAL FUNDS.

PLEASE NOTE: Re: Bylaw 2004.07-Utility arrears are transferred to the Tax Roll Properties in hamlets are billed for utilities every 2 months. The utilities are not included on the tax certificate until billed. Please ask the purchasers to set up a new utility account when the property transfers and ensure the vendor pays the final utility billing to the possession date.

PAYMENTS NOT HONORED BY THE BANK WILL MAKE THIS TAX CERTIFICATE VOID

Your File ID. 15-Oct-2015

RIVERSIDE LAW OFFICE
 4108 MONTGOMERY VIEW N.W.
 CALGARY AB T3B 0L9

THIS IS EXHIBIT " B " referred to in the Affidavit of Rocco TERRANO
 Sworn before me this 8 day of NOVEMBER A.D. 2015
 A Commissioner for the Province of Alberta
CHRISTOPHER A. SOUTER

Barrister & Solicitor

ALAN PARKIN
 CHIEF ADMINISTRATIVE OFFICER
 STRATHMORE
 2015/10/15 11:10:23



4108 MONTGOMERY VIEW N.W.
CALGARY, ALBERTA T3B 0L9

PHONE: (403) 685-4224
FACSIMILE: (403) 685-4225

TELECOPIER TRANSMITTAL SHEET

Date: October 15, 2015 (9:44AM) Sender:

TO: Wheatland County

Attention: Nadine

Fax Number: 403-934-4889

NUMBER OF PAGES: 1

R# 8180 000

MESSAGE:

Further to our telephone conversation just now, I require a tax certificate for the following:

MERIDIAN 4 RANGE 25 TOWNSHIP 24
SECTION 17
THE NORTH HALVES OF LEGAL SUBDIVISIONS 13 AND 14 IN THE NORTH WEST QUARTER
CONTAINING 16.2 HECTARES (40 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

PLAN NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD 0211599	0.100	0.25	

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

Payment will be by credit card, As I have advised, this is for Corat this afternoon.

Thank you in advance.

IF YOU ARE NOT RECEIVING THIS CLEARLY,
PLEASE CALL ME IMMEDIATELY AT (403) 685-4224

ALBERTA SECURITIES COMMISSION

SECTION 47 ORDER TO FREEZE PROPERTY

This is Exhibit "A" referred to in the Affidavit of David S. Ebinger Sworn before me this 8th day of November A.D., 2015. *Deborah Neude*
A Notary Public, A Commissioner for Oaths in and for the Province of Alberta

0720-005111
Date: 20150929
Docket: ENF-010926

Securities Act R.S.A. 2000, c. S-4 (the Act)

Base Finance Ltd., Base Mortgage & Investments Ltd., and Arnold Breitkreutz
(the Respondents)

WHEREAS:

- 1 Subsections 47(2) of the Act empower the Executive Director of the Commission (Executive Director) to make an order:
 - 1.1 directing a person or company having on deposit, under control or for safekeeping any funds, securities, derivatives or other property of any or all of the Parties, to hold the funds, securities, derivatives or other property;
 - 1.2 directing a person or company to refrain from withdrawing funds, securities, derivatives, or other property from any other person or company having any of them on deposit, under control or for safekeeping; and
 - 1.3 directing a person or company to maintain its funds, securities, derivatives or other property, and to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities, derivatives or other property.
- 2 An order under subsection 47(2) may be made where, among other things:
 - 2.1 an investigation is being or has been carried out under section 41 of the Act in respect of a person or company; or
 - 2.2 there is evidence of a contravention by a person or company of Alberta securities laws.
- 3 An investigation currently is being carried out under section 41 of the Act in respect of the Respondents.
- 4 There is evidence of one or more contraventions of Alberta securities laws by some or all of the Respondents, including the following:
 - 4.1 some or all of the Respondents appear to be actively acting as dealers in securities, without being registered to do so as required under section 75 of the Act;

Deborah Neude
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires July 19, 2017

#5201975 v1

THIS IS EXHIBIT " C " referred to in the Affidavit of *ROCCO TERRANO*
Sworn before me this *8* day of *NOVEMBER* A.D. *2015*
[Signature]
A Commissioner for Oaths in and for the Province of Alberta

Barristers & Solicitors

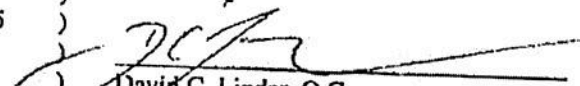
- 4.2 some or all of the Respondents appear to be trading in securities in a manner that would be a distribution of securities, without having been issued a receipt for either a preliminary prospectus or a prospectus as required under section 110 of the Act; and
- 4.3 contrary to subsection 92(4.1) of the Act, some or all of the Respondents appear to be making statements that they know or reasonably ought to know are misleading or untrue in material respects, and those statements would reasonably be expected to have a significant effect on the market price or value of securities.
- 5 A Calgary-based Royal Bank of Canada bank account in the name of the Respondent Base Finance Ltd. (At 807 – 49th Avenue SW Calgary, Alberta account number 02649-003-100-405-0 (the RBC Base Finance Ltd. Account)) appears to be used as an account for the receipt and disbursements of money in respect of the activities described in Paragraph 4 above.
- 6 In addition to the Respondent Arnold Breikreutz, Susan Way has signing authority over the RBC Base Finance Ltd. Account.
- 7 Well over \$10 million in funds has been transacted through the RBC Base Finance Ltd. Account since the beginning of 2015. As at September 25, 2015, a balance of \$1,084,604.03 was held on deposit in the RBC Base Finance Ltd. Account.

IT IS HEREBY ORDERED THAT:

- 8 Pursuant to paragraph 47(2)(a) of the Act, the Royal Bank of Canada, and in particular the branch of the Royal Bank of Canada located at 807 – 49th Avenue SW Calgary, Alberta, is hereby directed to hold any and all funds on deposit at the time of receipt of this Order in the RBC Base Finance Ltd. Account.
- 9 Pursuant to paragraph 47(2)(b) of the Act, each and all of the Respondents and Susan Way are hereby directed to refrain from withdrawing any funds from the RBC Base Finance Ltd. Account;
- 10 Pursuant to paragraph 47(2)(b.1) of the Act, each and all of the Respondents and Susan Way are hereby directed to maintain all funds on deposit at the time of receipt of this Order in the RBC Base Finance Ltd. Account, and to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds; and

11 Each and all of directions set out in paragraphs 8, 9, and 10 of this Order remain in force until this Order is revoked in writing or until the Executive Director consents to the release of such funds.

Dated at Calgary, Alberta
this 29 day of September, 2015

) ALBERTA SECURITIES COMMISSION
)
)
) 
) David C. Linder, Q.C.
) Executive Director

COURT FILE NUMBER: 1501-11817
 COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE: CALGARY
 PLAINTIFFS / APPLICANTS: EASYLOAN CORPORATION AND MIKE TERRIGNO
 DEFENDANTS / RESPONDENTS: BASE MORTGAGE & INVESTMENTS LTD. AND
 BASE FINANCE LTD., ARNOLD BREITKRUEZT,
 SUSAN BREITKRUEZT, SUSAN WAY AND GP
 ENERGY INC.

CLERK OF THE COURT
 CLERK'S STAMP
FILED
 NOV 06 2015
 JUDICIAL CENTRE
 OF CALGARY

DOCUMENT: AMENDED AMENDED ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 Riverside Law Office
 4108 Montgomery View NW
 Calgary, AB T3B 0L9
 Christopher Souster
 Direct: (403) 685-4224
 File: 3097

THIS IS EXHIBIT "D"
 referred to in the Affidavit of
 Rocco Terrigno
 Sworn before me this 8
 day of NOVEMBER A.D. 2015
 A Commissioner for Oaths in and for the Province of Alberta
 Registrar & Solicitor

DATE ON WHICH THIS ORDER WAS PRONOUNCED: November 6, 2015
 LOCATION OF HEARING: Calgary, Alberta
 NAME OF JUSTICE WHO MADE THIS ORDER: Justice K. Yamauchi

UPON THE APPLICATION of the Plaintiffs, Easyloan Corporation and Mike Terrigno; AND UPON having read the Application, the Affidavits of Mike Terrigno sworn on October 15, 2015, filed; AND UPON reading the consent of BDO Canada Limited to act as receiver by way of equitable execution (the "Receiver") of Base Mortgage & Investments Ltd., Base Finance Ltd. ("Base Mortgage" and "Base Finance") (jointly the "Debtors"), filed; AND UPON hearing *ex parte* counsel for the Plaintiffs, Easyloan Corporation and Mike Terrigno, and counsel for BDO Canada Limited, the proposed receiver; AND UPON being advised that the Alberta Securities Commission has been advised of the within Application, and upon hearing from counsel for the Alberta Securities Commission; AND UPON being advised that the neither the Applicants or the Receiver shall be seeking relief against the

Alberta Securities Commission or the Executive Director thereof; **AND UPON** the subsequent application of counsel for the Receiver and hearing read the First Report of the Receiver.

IT IS HEREBY ORDERED AS FOLLOWS:

SERVICE

- 1) The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

- 2) Pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2 and section 99(a) of *The Business Corporations Act*, R.S.A. 2000, c.B-9, BDO Canada Limited (620, 903 8th Avenue S.W. Calgary, Alberta T2P 0P7, attention: Craig Fryzuk or Sarah Hawco) is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including (without limitation):
 - a) funds on deposit in bank accounts of the Debtors, respectively (the "Frozen Accounts"), as such Frozen Accounts are more particularly known to the Alberta Securities Commission and which have been frozen, described as Britannia Branch 1004050 - Transit Number 2649003.
 - b) all Records (as hereinafter defined in paragraph 6 hereof) of the Debtor which are located or situated in, on or about the Subject Premises (as hereinafter defined in paragraph 3(t) hereof); and
 - c) all Records (as hereinafter defined in paragraph 6 hereof) which are located or situated in, on or about the subject premises (as hereinafter defined in paragraph 3(t) hereof) which describe, pertain or in any way directly or indirectly relate to any one or more of:
 - i) 2015 Nissan Juke automobile, license plate #BJT 501, SN# JN8AF5MV2FT560636.

- ii) Meridian 4 Range 25 Township 24, Section 17 (North halves of legal subdivisions 13 and 14 in the north west quarter containing approximately 16.2 hectares (Reference 0211599).
- iii) including the Deed of Trust Note dated November 5, 2013 between Goliad Phoenix Energy LLC, a Texas LLC and Base Finance Ltd. ; and The Deed of Trust dated October 3, 2014, Security Agreement and Assignment of Rental in which the Debtors have an interest as between Saddle Lake Energy LLC and Robert Carl Bedgood, Trustee, all of the State of Texas;
- iv) Other properties as set out in the table below:

Property Address	Owner	Relation to Arnold B.	Legal Description
625 UNCASTLE BAY SE Calgary Alberta	SUSAN BREITKREUTZ	Wife	PLAN 8510577; BLOCK 26; LOT 20 EXCEPTING THEREOUT ALL MINES AND MINERALS
725, 55th Ave SW Calgary Alberta	384103 ALBERTA LTD.	Sole owner and Director	PLAN 37016A; BLOCK 27; LOT 9 RESERVING UNTO HER MAJESTY ALL COAL
724, 55th AVE SW Calgary Alberta	ARNOLD BREITKREUTZ		PLAN 15924F; BLOCK 24; THE EASTEFLY 50 FEET THROUGHOUT OF ALL THAT PORTION OF LOT B WHICH IS SHOWN ON PLAN ISSUED AND THEREON OUTLINED IN RED EXCEPTING THEREOUT ALL MINES AND MINERALS
725, 55th AVE SW Calgary Alberta	ARNOLD BREITKREUTZ & SUSAN BREITKREUTZ		PLAN 15536E; THE WEST 50 FEET OF THE SOUTH 120 FEET OF THE PARCEL EXCEPTING THEREOUT ALL COAL

(all of such current and future assets, undertakings and properties hereinafter collectively described as the "Property").

RECEIVER'S POWERS

- 3) The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - a) subject to paragraphs 4, 4A and 4B hereof, to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;
- d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, legal counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

- j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.
- m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property

- and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, and that the Registrar of Titles is directed to register the within Order against titles to the Property (as defined in paragraph 2 hereof) forthwith, and as against any title whatsoever of any person that the Receiver shall direct, notwithstanding the requirements of subsection 191 (1) of the Land Titles Act, RSA 2000, c. L-4 as am.
 - p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
 - q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
 - r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
 - s) to take any steps reasonably incidental to the exercise of these powers;
 - t) subject to paragraph 4 hereof, to 724, 728 and 735 - 55 Ave SW Calgary, AB T2V 0G3, 63 Suncastle Bay SE Calgary Alberta, enter onto and inside the premises bearing the civic address without notice to, or consent from, any registered owner, landlord, tenant or person residing in or occupying the Subject Premises, for the purpose of locating, identifying and taking possession and control of the Property. The Subject Premises includes the business premises of the Base Corporations, the personal residences and business premises of Arnold Breitkruetz, Susan Breitkruetz, Susan Way and Brian Fox, together with their automobiles, storage facilities and any premises

upon which computing devices or discs or electronic storage devices are located belonging to such Persons;

- u) subject to paragraph 4 hereof, to take whatever steps are required by the Receiver in order to gain access to and to enter the Subject Premises, for the purpose of locating, identifying and taking possession and control of the Property;
- v) subject to paragraph 4 hereof, to take whatever steps are required by the Receiver in order to gain access to any locked or secured cabinet, container, safe, safety deposit box, door, security system, room, suite, or computer (whether password-protected or otherwise) located in, upon or about the Subject Premises, for the purpose of locating, identifying and taking possession and control of the Property;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

- 4) Any search of the Subject Premises which is carried out by or on behalf of the Receiver for the purpose of locating, identifying and taking possession and control of the Property:
 - a) shall take place between the hours of 9:00 a.m. and 5:00 p.m. on any day of the week other than Sunday;
 - b) if not completed prior to 5:00 p.m. on any particular day, may be completed between 9:00 a.m. and 5:00 p.m. on a subsequent day (other than a Sunday); and
 - c) shall involve no more than five persons carrying out such search, including up to two employees of BDO CANADA LIMITED and up to three contractors or agents whose assistance, services or expertise the Receiver may require,

including (without limitation) legal counsel, locksmiths, bailiffs, computer technicians and peace officers.

- 4A) In the event that any Person (as hereinafter defined in paragraph 5 hereof) claims that any one or more of the Records (as hereinafter defined in paragraph 6 hereof) is subject to a claim of privilege in favour of such Person (the "Claimant"), or is subject to a claim of ownership in favour of the Claimant, then such Record(s) shall be dealt with as follows:
- (a) such Record(s) shall be identified and segregated by the Claimant in the presence of the Receiver;
 - (b) all Record(s) so identified and segregated shall be sealed and left in the possession or control of the Receiver;
 - (c) all Record(s) so identified, segregated, sealed and left in the possession or control of the Receiver shall not be shown by the Receiver to any Person (as hereinafter defined in paragraph 5 hereof) other than representatives of the Receiver and legal counsel to the Receiver; and
 - (d) all Record(s) so identified, segregated, sealed and left in the possession or control of the Receiver shall not be further dealt with until the Receiver is directed to deal with same:
 - (i) by agreement between the Receiver and the Claimant; or
 - (ii) by further Order of the Court.
- 4B) The delivery of Record(s) to the Receiver in accordance with the provisions of paragraph 4A of this Order shall not, in and of itself, constitute a waiver of any solicitor-client privilege which may attach to such Record(s).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 5) (i) The Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including (without limitation) described as Royal Bank of Canada - Britannia Branch 1004050 - Transit Number 2649003. and the Alberta Securities Commission (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request. The funds of Base Finance Ltd. on deposit in account #2649003 at the Royal Bank of Canada - Britannia Branch 1004050 (Bank) are subject to a freeze order issued by the Executive Director of the Alberta Securities Commission (Executive Director) dated September 29, 2015. These funds shall remain on deposit with the Bank until further order of the Executive Director or this Honourable Court. No order shall be made, or application commenced, which affects the frozen funds unless five clear days' notice of same is provided to each of the Receiver and Executive Director.
- 6) All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to

the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure. Without limiting the generality of the foregoing, such Persons include Arnold Breitkruetz, Susan Breitkruetz, Susan Way and Brian Fox. Arnold Breitkruetz, Susan Breitkruetz, Susan Way, Brian Fox and all corporations controlled by any of them, or related thereto, whether in Canada, the United States of America or elsewhere are required to provide full and complete access to the Receiver for all books and records and financial institution documents, located both in Canada and out of Canada.

- 7) If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.
- 7A) At the request of the Receiver, a representative of the Calgary Police Service and/or a representative of the Royal Canadian Mounted Police shall attend at the Subject Premises for the purposes of keeping the peace, preventing any actual or apprehended breaches of the peace and assisting the Receiver in ensuring compliance with and execution of this Order.

NO PROCEEDINGS AGAINST THE RECEIVER

- 8) No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

- 9) No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8.

NO EXERCISE OF RIGHTS OF REMEDIES

- 10) All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

- 11) No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial

contract" (as defined in section 11.1(1) of the *Companies' Creditors Arrangement Act*) with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

- 12) All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

- 13) All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

- 14) Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.
- 15) Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

- 16) a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - i) before the Receiver's appointment; or

- ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- b) Nothing in sub-paragraph a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause ii) below, the Receiver:
 - (1) complies with the order, or
 - (2) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage; and
 - ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - (1) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

- (2) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the BIA or any other applicable legislation.

RECEIVER'S ACCOUNTS

- 17) Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").
- 18) The Receiver and its legal counsel shall pass their accounts from time to time.
- 19) Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

- 20) The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such

period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

- 21) Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
- 22) The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
- 23) The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

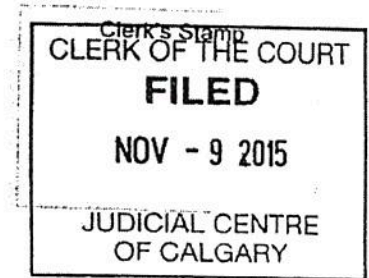
ALLOCATION

- 24) Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

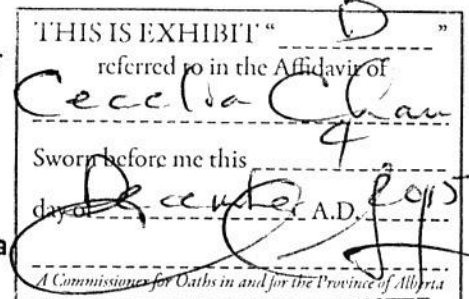
- 25) The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

1571
 COURT FILE NUMBER 4801-12147
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFFS TERRIGNO INVESTMENTS INC.
 DEFENDANTS BASE FINANCE LTD.
 DOCUMENT AFFIDAVIT OF VALUE



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RIVERSIDE LAW OFFICE
 Attention: Christopher M.A. Souster
 Barrister & Solicitor
 4108 Montgomery View N.W.
 Calgary, AB T3B 0L9
 Phone: (403) 685-4224
 Fax: (403) 685-4225
 E-mail: cmas@riversidelawoffice.ca



AFFIDAVIT OF SIMON CORMIER

CHRISTOPHER M.A. SOUSTER
 Barrister & Solicitor

Sworn on November 9, 2015

I, **Simon Cormier**, of the City of Calgary, in the Province of Alberta, an Appraiser, MAKE OATH AND SAY:

- That I have resided in and carried on business near the vicinity of the lands herein described for 10 years, and during that time have had considerable experience Appraising Real Estate.
- That on the 2nd day of November, 2015, I made a careful inspection of the lands in question in the proceedings herein, for the purpose of preparing an appraisal valuation, namely:

MERIDIAN 4 RANGE 25 TOWNSHIP 24
 SECTION 17

THE NORTH HALVES OF LEGAL SUBDIVISIONS 13 AND 14 IN THE NORTH WEST QUARTER
 CONTAINING 16.2 HECTARES (40 ACRES) MORE OR LESS
 EXCEPTING THEREOUT:

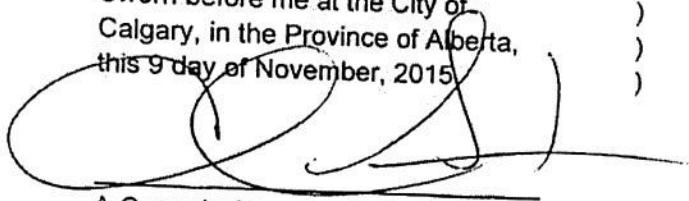
PLAN NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD 0211599	0.100	0.25	

EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK THE SAME

and municipally described as 242073 RGE RD 255 Wheatland County, AB.

3. That I have set forth in my appraisal report, attached and marked Exhibit "A" to this my affidavit, full and true particulars of the state, condition and value of the said lands, and the improvement situate thereon, to the best of my knowledge and belief, both interior and exterior.
4. That I have not now and never had any interest in the said lands and improvements otherwise in this action or the result thereof, except as Appraiser for the Plaintiff herein in connection with the inspection and valuation made by me of the said lands and improvements.

Sworn before me at the City of
Calgary, in the Province of Alberta,
this 9 day of November, 2015.



)
)
)

SIMON CORMIER

A Commissioner for Oaths in and for
The Province of Alberta

My Commission expires: n/a

Christopher M.A. Souster
Barrister & Solicitor

APPRAISAL OF



An Acreage Property

LOCATED AT:

242073 RGE RD 255
Wheatland County, AB

FOR:

Riverside Law Office
4108 Montgomery View NW
Calgary, AB T3B 0L9

AS OF:

November 2, 2015

BY:

Simon Cormier
CRA

"THIS IS EXHIBIT" A
referred to in the Affidavit of

SIMON CORMIER

Sworn before me this 9
day of NOVEMBER 2015

A Commissioner for Oaths in and for the Province of Alberta

Christopher M.A. Souster
Barrister & Solicitor

Client Reference No.:

File No.: 30001

Wallace Appraisal Services
Real Estate Appraisers & Consultants
2nd Floor, 203 38 Avenue NE
Calgary, Alberta, T2E 2M3

November 04, 2015

Riverside Law Office
Christopher M.A. Scuster
4108 Montgomery View NW
Calgary, AB T3B 0L9

Address of Property: 242073 RGE RD 255
Wheatland County, AB

Market Value: \$ 890,000

At your request, I have done a form appraisal report on the above-noted property, for the purpose of estimating its Market Value as of November 02, 2015. I have completed an inspection of the property and have done an analysis of sales, listing information, and property history, as well as other factors affecting Market Value as of the effective appraisal date.

Based on my investigations and analyses, it is my considered opinion that the Market Value of this property, as of the effective date was:

Eight Hundred and Ninety Thousand \$890,000

This estimate of value is subject to the Limiting Conditions set forth on the certification page and to other such specific conditions as may be set forth in the body of the appraisal report.

I trust that the information in this report is sufficient for your purposes. Should you have any questions regarding the property, or require clarification regarding the information or conclusions in the report, please feel free to call.

Yours truly,


Simon Cormier
CRA

RESIDENTIAL APPRAISAL REPORT

REFERENCE:

Wallace Appraisal Services Ltd.

FILE NO.: 30001

CLIENT	CLIENT: <u>Riverside Law Office</u>	APPRAISER	APPRAISER: <u>Simon Cormier</u>
	ATTENTION: <u>Christopher M.A. Souster</u>		COMPANY: <u>Wallace Appraisal Services</u>
	ADDRESS: <u>4108 Montgomery View NW</u> <u>Calgary, AB T3B 0L9</u>		ADDRESS: <u>2nd Floor, 203 38 Avenue NE</u> <u>Calgary Alberta T2E 2M3</u>
	E-MAIL: <u>cmas@sousterlaw.ca</u>		E-MAIL: <u>simon@wallaceappraisal.com</u>
	PHONE: <u>403-685-4224</u> FAX: _____		PHONE: <u>403-263-9669</u> FAX: <u>403-263-9668</u>



PROPERTY ADDRESS: 242073 RGE RD 255 city: Wheatland County PROVINCE: AB POSTAL CODE: _____
 LEGAL DESCRIPTION: TWP 24 - RGE 25 - Section 17- The north halves of legal subdivisions 13 and 14 in the NW 1/4 containing 39.75 Acres
 MUNICIPALITY AND DISTRICT: Wheatland County: Strathmore area Source: Title preview
 ASSESSMENT: Land \$ N.A. Imps \$ N.A. Total \$ 556,090 Assessment Date: 2014 Taxes \$ 3,420 Year 2015
 EXISTING USE: Rural residential

NAME: Mike Terrigno OCCUPIED BY: Mr. Brian Fox
 PURPOSE OF THE APPRAISAL: To estimate market value (see definition herein) or Other Name Type: Lawyers client
 INTENDED USE OF THE APPRAISAL: Court Purposes
 INTENDED USERS (by name or type): Lawyer - Christopher M.A. Souster
 REQUESTED BY: Client attorney Other

THIS APPRAISAL REPORT REPRESENTS THE FOLLOWING VALUE: (if not current, see comments)
 Update of original report completed on _____ Current Retrospective Prospective
 PROPERTY RIGHTS APPRAISED: Fee Simple Leasehold Other (see comments) with an effective date of _____ File No. _____
 MAINTENANCE FEE (if applicable): \$ _____ OTHER OWNERSHIP: Cooperative Condominium/Strata Other _____

IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? No Yes (if yes, see comments)
 VALUE APPROACHES USED IN THE DEVELOPMENT OF THIS APPRAISAL: DIRECT COMPARISON APPROACH COST APPROACH INCOME APPROACH
 EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS: An extraordinary assumption or limiting condition has been invoked in this appraisal report. YES NO if yes, see attached addendum.
 HYPOTHETICAL CONDITIONS: A hypothetical condition has been invoked in this appraisal report. YES NO if yes, see attached addendum.
 JURISDICTIONAL EXCEPTION: A jurisdictional exception has been invoked in this appraisal report. YES NO if yes, see attached addendum.

NEIGHBOURHOOD	NATURE OF DISTRICT: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/>	MARKET OVERVIEW	AGE RANGE OF PROPERTIES (years): <u>Varies</u>
	TYPE OF DISTRICT: <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural <input type="checkbox"/> Recreational <input type="checkbox"/> Agricultural		PRICE RANGE OF PROPERTIES: \$ <u>300,000</u> to \$ <u>1,000,000+</u>
	TREND OF DISTRICT: <input type="checkbox"/> Improving <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Transition <input type="checkbox"/> Deteriorating <input type="checkbox"/>		MARKET OVERVIEW: Supply: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor
	BUILT-UP: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25 - 75% <input type="checkbox"/> Under 25% <input checked="" type="checkbox"/> Rural		Demand: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor
CONFORMITY Age: <input type="checkbox"/> Newer <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Older <input type="checkbox"/>	PRICE TRENDS: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		
Condom: <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Inferior <input type="checkbox"/>			
Size: <input type="checkbox"/> Larger <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Smaller <input type="checkbox"/>			

COMMENTS: The subject is located in a rural area about 48 kilometres east of the City of Calgary, in Wheatland County. Access is via the Trans Canada HWY to RGE RD. 255 (approximately 5km west of the Town of Strathmore), drive north for 2km and the driveway to the site is on the east side road. Shopping is available in Strathmore and Calgary offers all amenities.

SITE	SITE DIMENSIONS: <u>See site map</u>	UTILITIES	<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Sanitary Sewer <input type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Natural Gas <input checked="" type="checkbox"/> Septic <input type="checkbox"/> Open Ditch <input type="checkbox"/> WATER SUPPLY: <input type="checkbox"/> Municipal <input checked="" type="checkbox"/> Private Well <input type="checkbox"/> Other _____	
	SITE AREA: <u>39.78 Acres</u> <input type="checkbox"/> Sq. Ft. <input type="checkbox"/> Sq. M. <input checked="" type="checkbox"/> Acres <input type="checkbox"/> Hectares		FEATURES	<input checked="" type="checkbox"/> Gravel Road <input type="checkbox"/> Paved Road <input type="checkbox"/> Lane <input type="checkbox"/> Sidewalk <input type="checkbox"/> Curbs <input type="checkbox"/> Street Lights <input type="checkbox"/> Cablevision <input type="checkbox"/>
	Source: <u>Wheatland County Assessment Roll</u>			<input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground <input type="checkbox"/> ELECTRICAL: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground <input type="checkbox"/> DRIVEWAY: <input checked="" type="checkbox"/> Private <input type="checkbox"/> Mutual <input type="checkbox"/> None <input type="checkbox"/> Single <input type="checkbox"/> Double Surface: <u>Gravel</u>
	TOPOGRAPHY: <u>Mostly level terrain</u>			PARKING: <input checked="" type="checkbox"/> Garage <input type="checkbox"/> Carport <input checked="" type="checkbox"/> Driveway <input type="checkbox"/> Street LANDSCAPING: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor CURB APPEAL: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor
CONFIGURATION: <u>Rectangular</u>				
ZONING: <u>FL - Farmland</u>				
	Source: <u>Assessment Roll</u>			
DOES EXISTING USE CONFORM TO ZONING? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (see comments)				
TITLE SEARCHED: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>				

COMMENTS: The subject is located in Rural Wheatland County. The subject can be reached from Calgary by traveling east of HWY 1 to RGE RD. 255 (approximately 5km west of the Town of Strathmore), drive north for 2km and the driveway to the site is on the east side road. The terrain on the site is mostly level with mild rolling sections. The home sits at the high point of the site and the land slopes away slightly to the east. There is a long gravel driveway to the home and site landscaping includes lawns, trees, front concrete walk, rear wood deck, concrete retaining wall, some horse fencing and perimeter fencing. There is a quonset 32' x 61', as well as a horse/cow shelter on the site.

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 30001

REFERENCE:

YEAR BUILT (estimated): 1976	BUILDING TYPE: Detached single family	ROOFING: Asphalt shingles	Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor
EFFECTIVE AGE: 25 years	DESIGN/STYLE: Split-level		
REM. ECONOMIC LIFE: 40 years	CONSTRUCTION: Wood frame		
DEPRECIATION: 30.0 %	BASEMENT: Full		
ESTIMATED BASEMENT AREA: Developed <input checked="" type="checkbox"/> Sq. M. <input type="checkbox"/> Sq. Ft.		EXTERIOR FINISH: Stucco	
BASEMENT FINISH: <input type="checkbox"/> 0 to 25% <input type="checkbox"/> 25 to 50% <input type="checkbox"/> 50 to 75% <input checked="" type="checkbox"/> 75 to 100%		Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor	
WINDOWS: Wood sash casement, metal sliders			
FOUNDATION WALLS: Poured Concrete			

NEW CONSTRUCTION ONLY	CONSTRUCTION COMPLETE: Yes	PERCENTAGE COMPLETE: 100%	BEDROOMS(s): 1 Large 3 Average Small	BATHROOMS(s): 1 2-piece Good 3 3-piece XX Average 2 4-piece Fair 5 5-piece Poor	INTERIOR FINISH Walls: <input checked="" type="checkbox"/> Drywall <input type="checkbox"/> Plaster <input type="checkbox"/> Paneling Ceilings: <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	CLOSETS: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor INSULATION: <input checked="" type="checkbox"/> Ceiling <input checked="" type="checkbox"/> Walls <input checked="" type="checkbox"/> Basement <input type="checkbox"/> Crawl Space Info Source: Assumed based on age and construction	PLUMBING LINES: Copper / ABS Info Source: Visual		
FLOORING: Carpet, linoleum, ceramic tile		ELECTRICAL: <input type="checkbox"/> Fuses <input checked="" type="checkbox"/> Breakers		ESTIMATED RATED CAPACITY OF MAIN PANEL: 100 amps		HEATING SYSTEM: Forced Air x2 Fuel type: Natural Gas		WATER HEATER: Type: 40 U.S. Gallons x 2	
BUILT-INS/EXTRAS: <input checked="" type="checkbox"/> Vacuum <input type="checkbox"/> HR Ventilator <input checked="" type="checkbox"/> Garage Opener		Security System <input type="checkbox"/> Central Air <input type="checkbox"/> Swimming Pool		Fireplace(s) <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Garburator <input type="checkbox"/> Skylights <input type="checkbox"/> Solarium <input type="checkbox"/> Sauna <input type="checkbox"/> Whirlpool		Hood fan, humidifier x2 <input checked="" type="checkbox"/>		OVERALL INT. COND: <input checked="" type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor	

ROOM ALLOCATION													TOTAL	AREA
LEVEL	ENTRANCE	LIVING	DINING	KITCHEN	FAMILY	BEDROOMS	DEN	FULL BATH	PART BATH	LAUNDRY	REC.			
MAIN	1	1	1	1	1	1	1						6	208
SECOND						3		2	1	XX			3	103
THRD														
ABOVE GRADE TOTALS						ROOMS: 9	BEDROOMS: 4	BATHROOMS: 2F 1H						
BASEMENT	1				1	1		2			1		9	311
ORDER TOTALS						ROOMS: 11	BEDROOMS: 5	BATHROOMS: 4F 1H					2	
BASEMENT FINISHES/UTILITY: See Attached Addendum													11	311

GARAGES/CARPORTS: Detached double garage 24' x 24'

DECKS, PATIOS, OTHER IMPROVEMENTS: Long gravel driveway to the home and site landscaping includes lawns, trees, front concrete walk, rear wood deck, concrete retaining wall, some horse fencing and perimeter fencing. There is a quonset 32' x 61', as well as a horse/cow shelter on the site.

COMMENTS: The subject is a large split level home that was reportedly built in 1976 (estimated, not confirmed). The home has dated 1980/90's decor throughout most of the home. It contains extensive carpet flooring, as well as linoleum and ceramic tile, stippled ceiling finish and neutral paint colours. The main floor contains a large family room with a gas fireplace and stone feature wall, a living room with built-in oak book cases, and a formal dining room with a wood burning fireplace, built-ins and a patio door to the deck. There is a separate den that is a good size and has a sliding patio door to the deck. The kitchen contains flat panel oak cabinets, laminate counter tops, a gas stove and stainless steel appliances including a dishwasher. The dining nook is average size and has a sliding patio door to the rear wood deck. There is one bedroom on the main level with many good sized windows. There is a 2pc bathroom off the front foyer and there is a separate laundry room. The upper level contains three good sized bedrooms and two full bathrooms. The larger master bedroom includes a wood burning fireplace with stone surround, 2 mirrored bi-fold closets and a patio door to a small upper level wood balcony. The 4pc en-suite bathroom has a culture marble/wood vanity and a standard tub with tile surround. The second 4pc bathroom has a similar finish. The stucco exterior and asphalt roof shingles appeared to be in good condition for the age of the home.

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 30001

REFERENCE:

LAND VALUE AS IF VACANT: \$ 375,000

SOURCE OF DATA: MLS

Comment: Land value is estimated based on improved property sales and an abstraction method which deducts the value of improvements from a total property sale price.

EXISTING USE: Detached single family home

HIGHEST AND BEST USE OF THE LAND AS IF VACANT: Residential Other

HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED: Existing Residential Use Other

SUMMARY AND CONCLUSION: The existing use is legal and conforming and represents the Highest and Best Use of the property.

SUBJECT	COMPARABLE NO. 1			COMPARABLE NO. 2			COMPARABLE NO. 3		
	Description	\$ Adjustment		Description	\$ Adjustment		Description	\$ Adjustment	
242073 RGE RD 255 Wheatland County	TWP 24 - RGE 26 - NW 23 W 4 Wheatland County			271098 RGE RD 285 Rockyview County			275177 TWP RD 252 Rockyview County		
DATA SOURCE	MLS- c3648446			MLS- c4027870			MLS- c3642614		
DATE OF SALE	March 6, 2015	-14,000		October 13, 2015			Feb. 26, 2015	-30,000	
SALE PRICE	\$ 715,000			\$ 929,000			\$ 977,000		
DAYS ON MARKET	301			315			113		
LOCATION	Strathmore area	Strathmore area		East of Airdrie - mtn vw	-125,000		South of Delacour		
SITE SIZE	39.78 Acres	40 Acres		40.13 Acres			20 Acres	40,000	
BUILDING TYPE	Detached	Detached		Detached			Detached		
DESIGN/STYLE	Split-level	Bungalow		Bungalow			Two Storey		
AGE/CONDITION	39 Good/Avg	42 Inferior 40,000		39 Similar			41 Similar		
LIVEABLE FLOOR AREA	311 Sq.M.	190 Sq.M. 121,000		137 Sq.M. 174,000			350 Sq.M. -39,000		
ROOM-COUNT	Total Bdrms Baths 9 4 2F 1H	Total Bdrms Baths 7 3 2F		Total Bdrms Baths 6 3 1F 1P			Total Bdrms Baths 8 4 2F 1P		
BASEMENT	Fully Finished	Fully finished - inferior 15,000		Fully finished			Fully Finished		
PARKING	Double detached	Quad attached -20,000		Triple att. -15,000			O/S double att. -5,000		
Extras	FPx4, landscaping	Landscaping 10,000		FPx2, Landscaping			FPx2, landscaping		
	Outbuildings	Outbuildings		Outbuilding etc. -55,000			Outbuildings -50,000		
ADJUSTMENTS (Gross%, Net%, Dollar)	30.8%	21.3%	\$ 152,000	39.7%	-2.3%	\$ 21,000	16.8%	-8.6%	\$ 84,000
ADJUSTED VALUES	\$ 867,000			\$ 908,000			\$ 893,000		

COMMENTS: Recent comparable sales were limited. All sales are rural residential acreages located in Wheatland and Rocky View county.

Sale 1 is a March 2015 sale and a downward time adjustment was made for the shift in market conditions over the time period. The home has inferior condition and appeal, it has a smaller floor area, the basement has inferior development, it has a larger garage type but has inferior extras.

Sale 2 has a similar parcel size, but has a superior location 5km east of Airdrie and offers mountain views. The home is much smaller, it has a larger garage type and superior outbuildings.

Sale 3 is a February 2015 sales and a time adjustment was made for the downward shift in market conditions over the time period. This sale has a smaller site area, the floor area is larger, it has a larger garage type and superior outbuildings.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): \$ 890,000

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 30001

REFERENCE:

ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) There are no known offers or options relating to the subject property.

SALES HISTORY

ANALYSIS OF SALE TRANSFER HISTORY: (minimum of three years) Title previews indicate a transfer of land on August 27, 2013 with a value of \$950,000, and a transfer of land on December 14, 2012 with a value of \$950,000.

EXPOSURE TIME

ANALYSIS OF REASONABLE EXPOSURE TIME: A reasonable exposure time in the current market environment would be up to 365 days.

RECONCILIATION AND FINAL ESTIMATE OF VALUE

RECONCILIATION AND FINAL ESTIMATE OF VALUE: The three sales used produced an adjusted range of value from \$867,000 to \$908,000. The final value is estimated to be \$890,000. Active listings located within Wheatland County and Rocky View County were also reviewed.

UPON REVIEWING AND RECONCILING THE DATA, ANALYSES AND CONCLUSIONS OF EACH VALUATION APPROACH, THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT November 02, 2015 (Effective Date of the Appraisal) IS ESTIMATED TO BE \$ 890,000
 THIS REPORT WAS COMPLETED ON: November 04, 2015

DEFINITIONS

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Canadian Uniform Standards of Professional Appraisal Practice) Note: If other than market value is being appraised, see additional comments.

DEFINITION OF HIGHEST AND BEST USE: The reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.

SCOPE

The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any usual valuation procedures.

The appraisal issue that is the focus of this engagement has been discussed and defined with the client, the work required to solve the issue planned, and the necessary market data acquired, analyzed and reconciled into an estimate of market value in a manner typically expected in a "Form" report.

The specific tasks and items necessary to complete this assignment include a summary of the following:

1. assembly and analysis of relevant information pertaining to the property being appraised, including listing and acquisition particulars if acquired within three years prior to the effective date of the appraisal;
2. an inspection of the subject property and the surrounding area;
3. assembly and analysis of pertinent economic and market data;
4. an analysis of land use controls pertaining to the subject property;
5. a summary discussion and statement of "Highest and Best Use", or most probable use;
6. a discussion of the appraisal methodologies and procedures employed in arriving at the indications of value;
7. inclusion of photographs, maps, graphics and addendum/exhibits when deemed appropriate; and
8. reconciliation of the collected data into an estimate of market value or market value range as at the effective date of the appraisal.

All data considered appropriate for inclusion in the appraisal is, to the best of our knowledge, factual. Due to the type of property being appraised and the nature of the appraisal issue, the findings have been conveyed in this "Form" format.

Other: The subject property was fully inspected inside and outside. The building size was based on measurements taken by the appraiser. Information regarding the legal description and lot size was obtained from public records such as the Wheatland County Assessment Roll or Alberta Registries and from Geo-Jet digital maps. Sales information was compiled from the database of the Calgary Real Estate Board and from appraisals on file in our office. Photographs of comparable sales were viewed, including interior photographs when available, but they were otherwise not inspected.

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 30001

REFERENCE:

ORDINARY ASSUMPTIONS & LIMITING CONDITIONS

- The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA) and the following conditions:
- This report is prepared at the request of the client and for the specific use referred to herein. It is not responsible for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser, subject to the qualification in paragraph 11 below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
 - Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
 - The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
 - The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
 - No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
 - This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
 - Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
 - The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
 - The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client supplied information, which we believed to be correct.
 - The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work.
 - The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") and/or when property entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).
 - The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
 - Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.
 - This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author who has signed this report (the author). The client, intended users and any appraisal facilitator are strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate, electronically, digitally, manually or by any other means whatsoever the appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
 - If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
 - Where the intended use of this report is for financing or mortgage lending, and in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20 (June 2012), it is the intended user's responsibility to grant mortgage loans on the basis of the borrower's demonstrated willingness and capacity to service his/her debt obligations.

I certify that, to the best of my knowledge and belief that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict of with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of value estimate, or a conclusion favouring the client;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice;
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members;
- The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

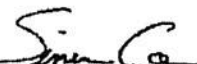
CO-SIGNING AIC APPRAISER'S CERTIFICATION If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that he directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report.

PROPERTY IDENTIFICATION

ADDRESS: 242073 RGE RD 255 CITY: Wheatland County PROVINCE: AB POSTAL CODE: _____
 LEGAL DESCRIPTION: TWP 24 - RGE 25 - Section 17- The north halves of legal subdivisions 13 and 14 in the NW 1/4 containing 39.75 Acres

BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED,
 AS AT November 02, 2015 (Effective date of the appraisal) IS ESTIMATED TO BE \$ 890,000

APPRAISER

SIGNATURE: 
 NAME: Simon Cormier
 AIC DESIGNATION (or Member Status): CRA
 DATE SIGNED: November 04, 2015
 PERSONALLY INSPECTED THE SUBJECT PROPERTY: YES NO
 DATE OF INSPECTION: November 02, 2015
 LICENSE INFO: (where applicable) Licensed in Alberta to Sept. 30, 2015

CO-SIGNING AIC APPRAISER (if applicable)
 SIGNATURE: _____
 NAME: _____
 AIC DESIGNATION: _____
 DATE SIGNED: _____
 PERSONALLY INSPECTED THE SUBJECT PROPERTY: YES NO
 DATE OF INSPECTION: _____
 LICENSE INFO: (where applicable) _____

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

SOURCE OF DIGITAL SIGNATURE SECURITY: CRAL digital signature (password protected)

- ATTACHMENTS AND ADDENDA: ADDITIONAL SALES EXTRAORDINARY ITEMS NARRATIVE PHOTOGRAPHS BUILDING SKETCH
 MAPS COST APPROACH INCOME APPROACH

Basement Finished, Utility

Full, poured concrete basement that is fully finished with carpet flooring, suspended tile ceilings and neutral paint colours. Rooms include a family room with a wood burning fireplace and brick surround, an older wet bar, rec room area, 3pc bathroom with linoleum flooring with laminate/oak vanity, one large bedroom, and a 4pc bathroom with a standard tub that has tile surround. The bathrooms were in average condition; sinks were stained and worn in spots. The basement finish is dated, but was found to be in good/average condition for its age. The resident of the home reported that there was sewer back-up in the hallway adjacent to the mechanical room as well as a section of the family room. He also reported that a new septic system was installed (this information has not been confirmed). At the time of inspection the lower 2' section of the interior wall around the mechanical room had been removed and a section of the carpet in the family room was pulled up. At the time of inspection there was no sewer back-up or water in the basement. There is a separate walk-up exit from the basement to the rear yard, although the exterior access is blocked by the rear deck.

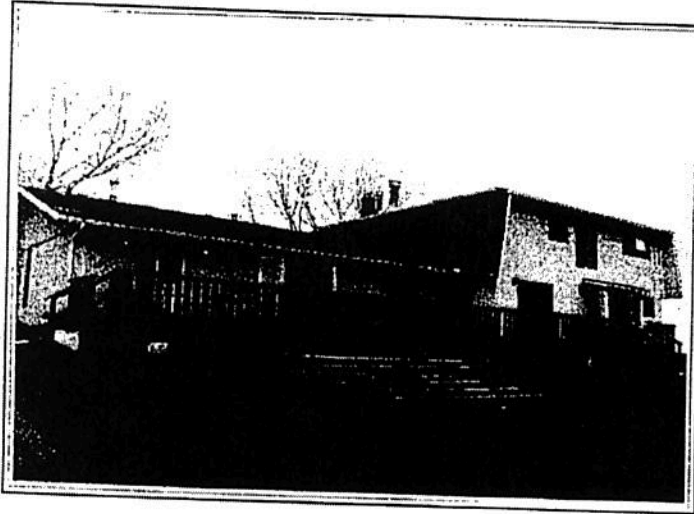
SUBJECT PROPERTY PHOTO ADDENDUM

File No. 30001



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: November 2, 2015
Appraised Value: \$ 890,000



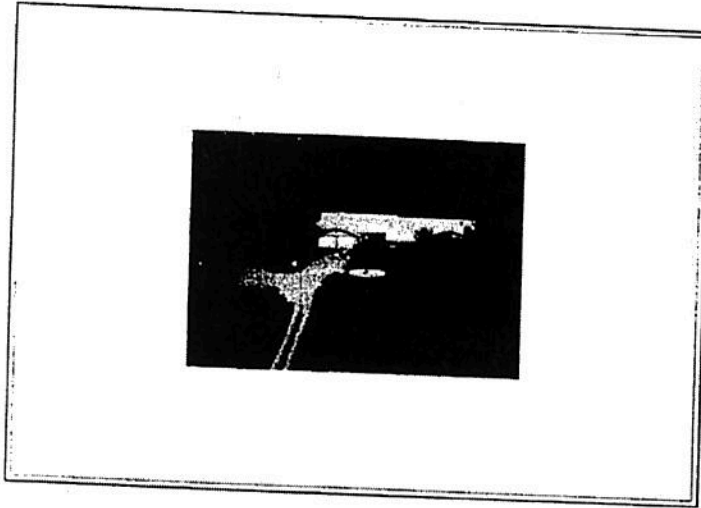
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

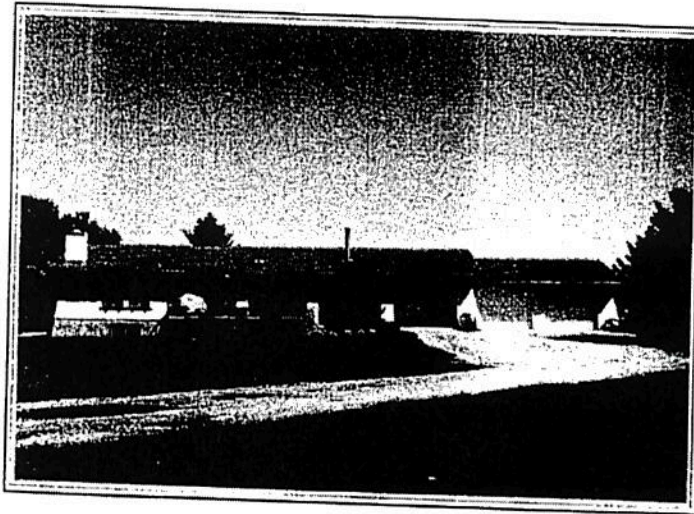
COMPARABLE PROPERTY PHOTO ADDENDUM

File No. 30001



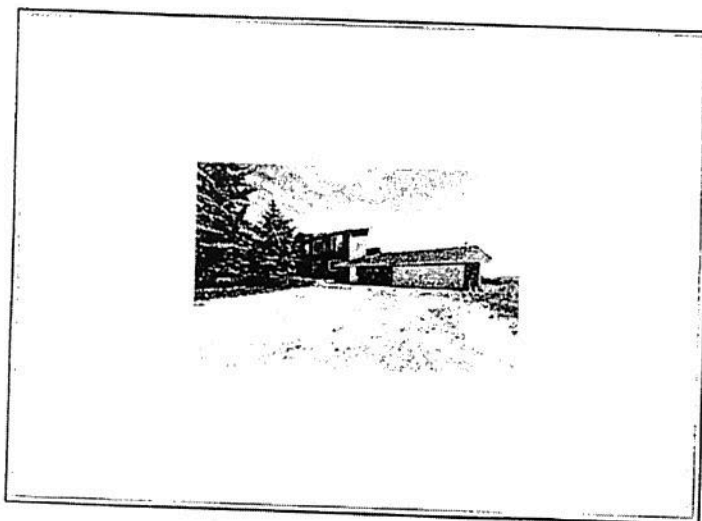
COMPARABLE SALE #1

TWP 24 - RGE 26 - NW 23 W 4
Wheatland County
Sale Date: March 6, 2015
Sale Price: \$ 715,000



COMPARABLE SALE #2

271098 RGE RD 285
Rockyview County
Sale Date: October 13, 2015
Sale Price: \$ 929,000



COMPARABLE SALE #3

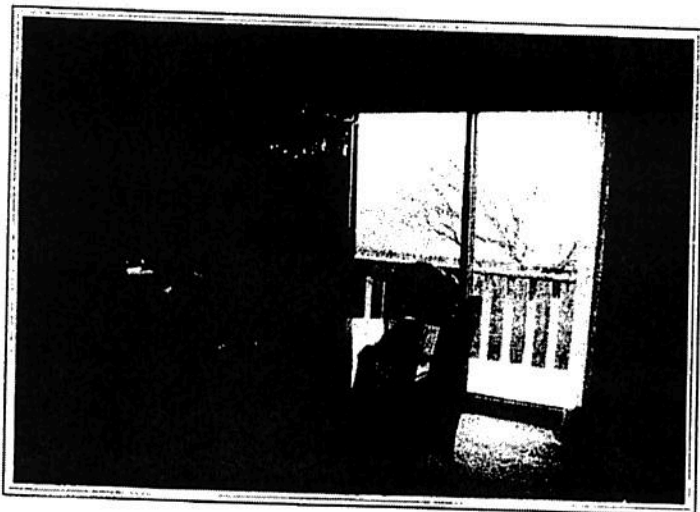
275177 TWP RD 252
Rockyview County
Sale Date: Feb. 26, 2015
Sale Price: \$ 977,000

Interior Photographs

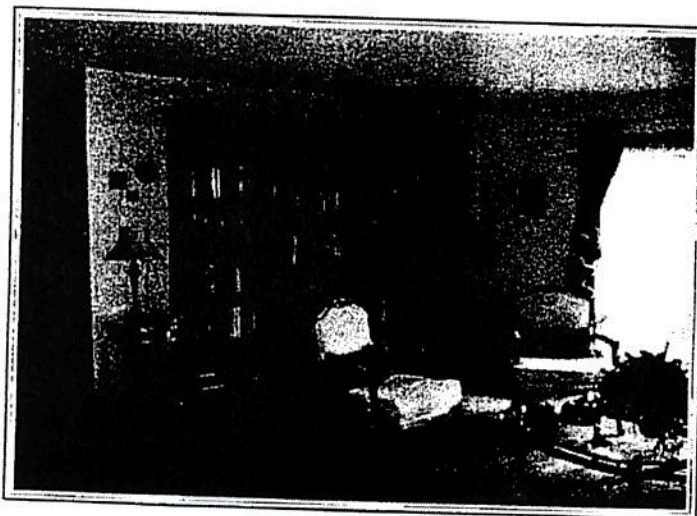
File No. 30001



Kitchen



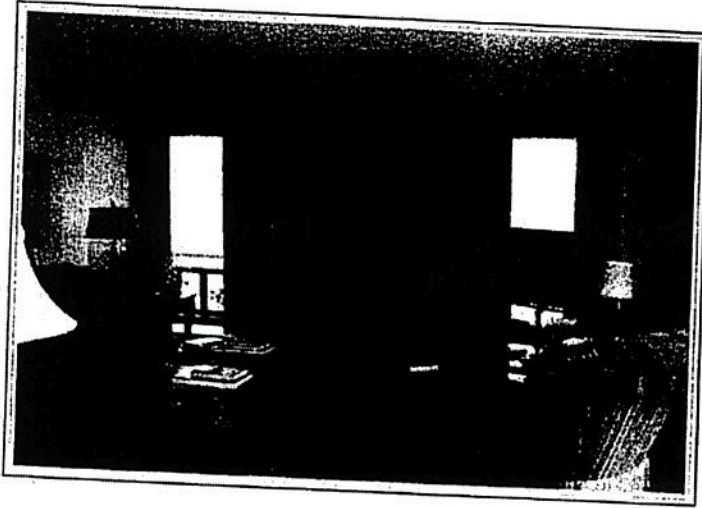
Dining Room



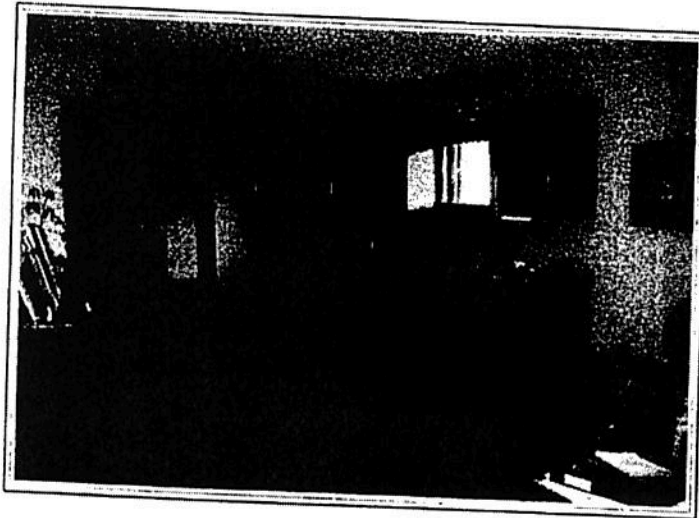
Living Room

Interior Photographs

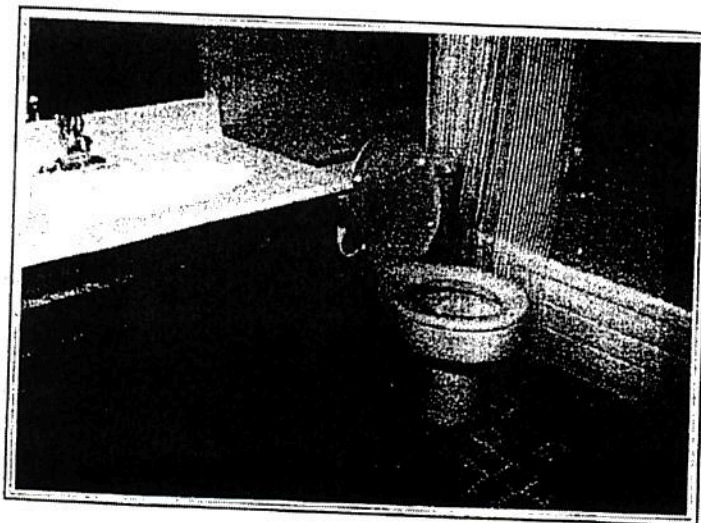
File No. 30001



Family room



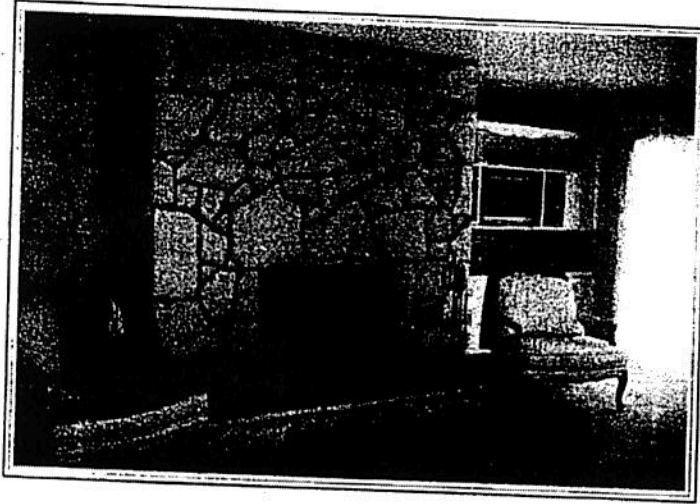
Den



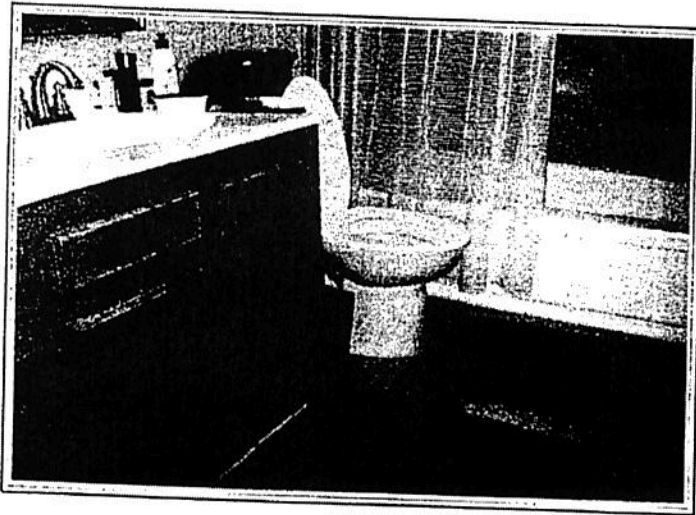
Bathroom

Interior Photographs

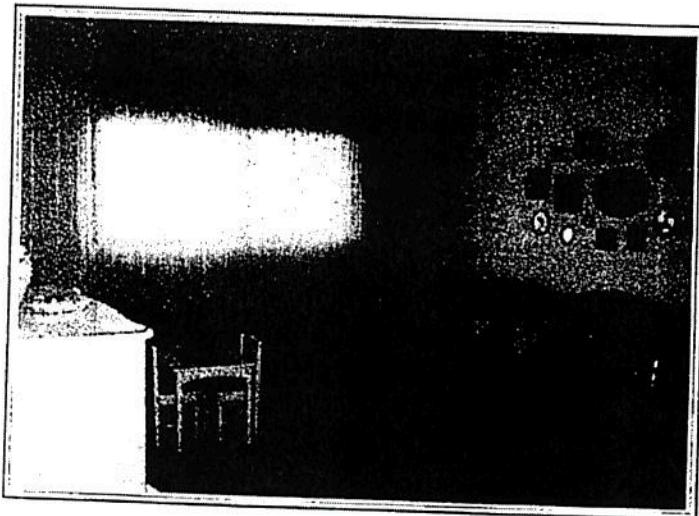
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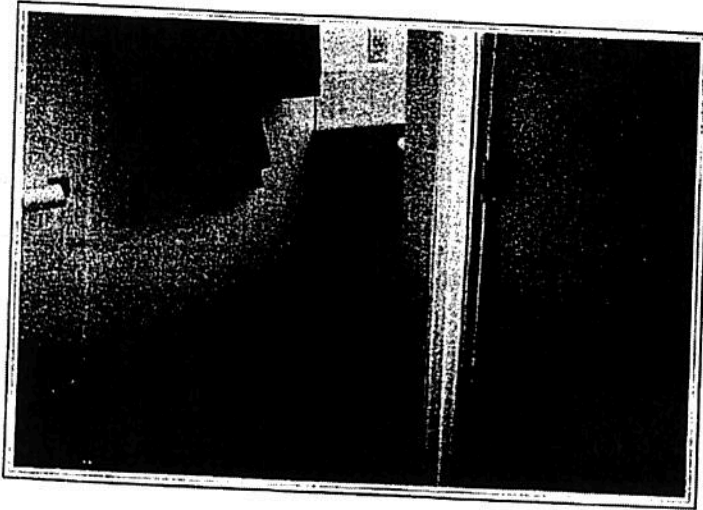
Master bedroom



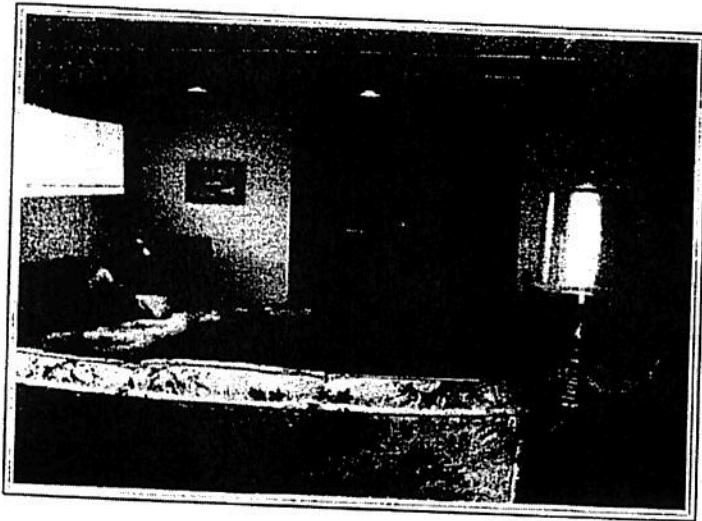
Master 4pc en-suite bathroom



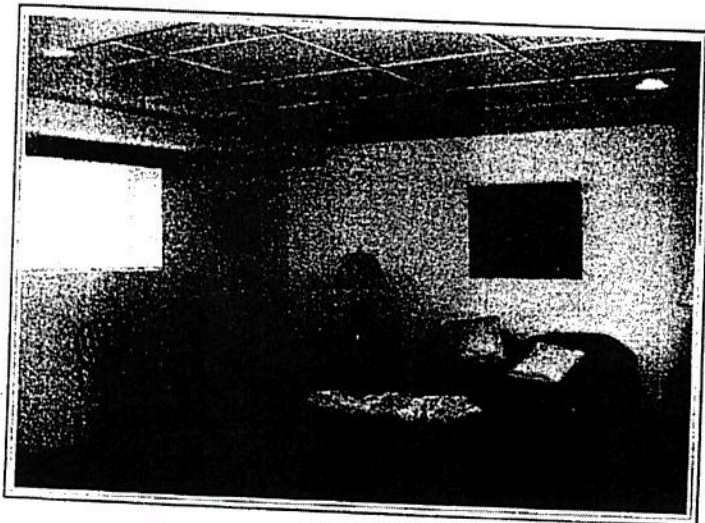
Bedroom 2



Basement bathroom



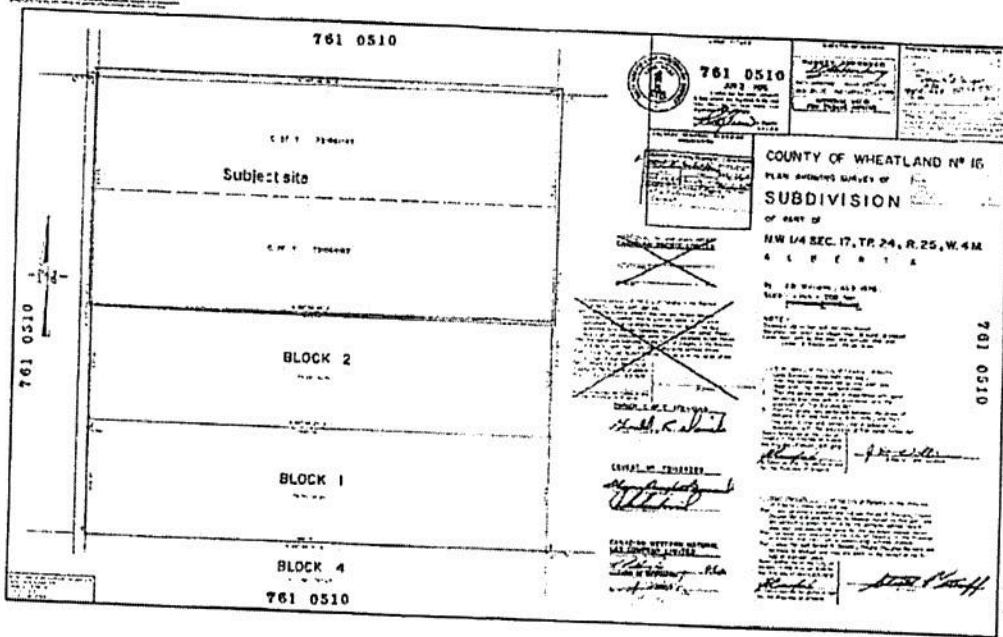
Basement family room



Basement bedroom

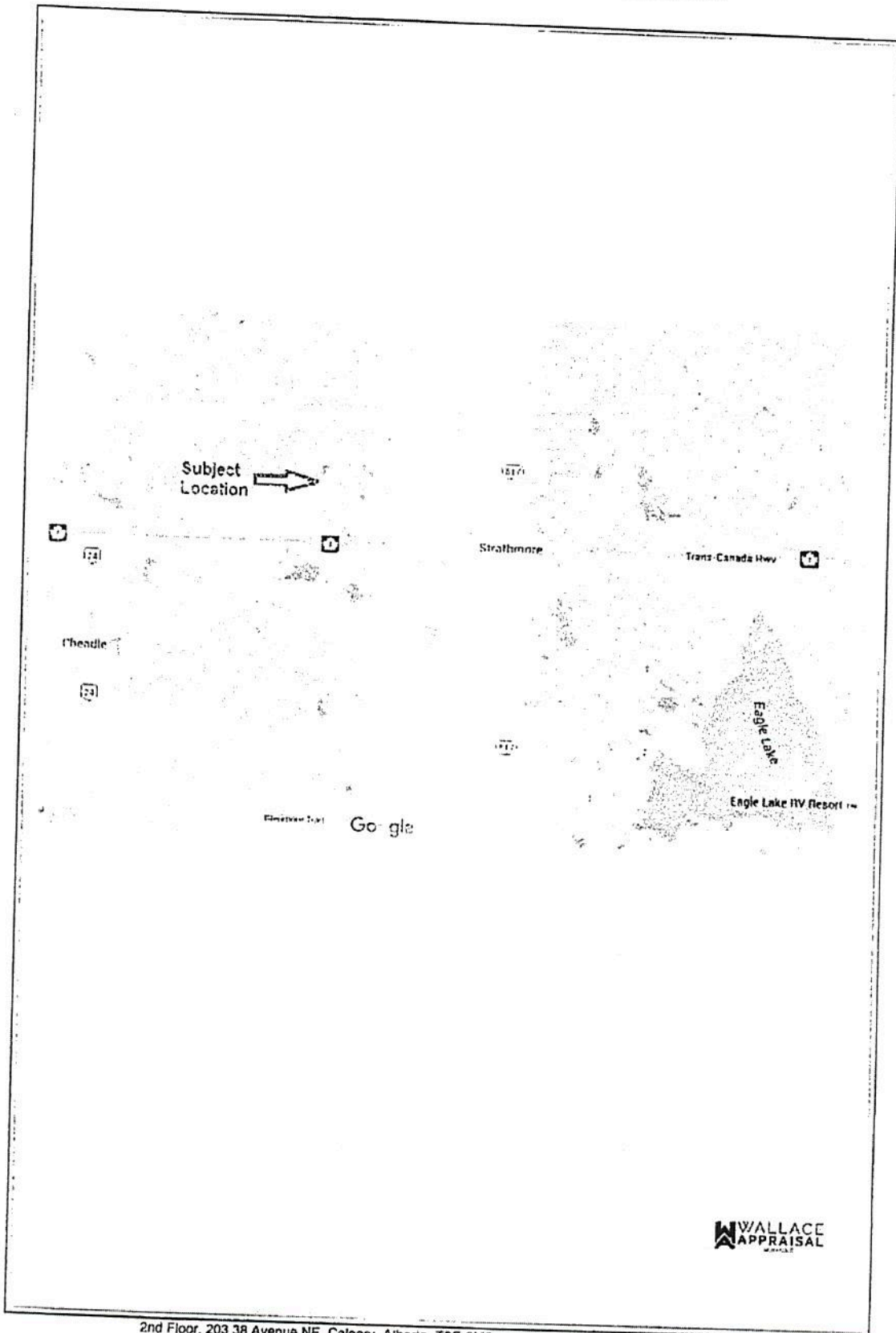
PLOT MAP

File No. 30001

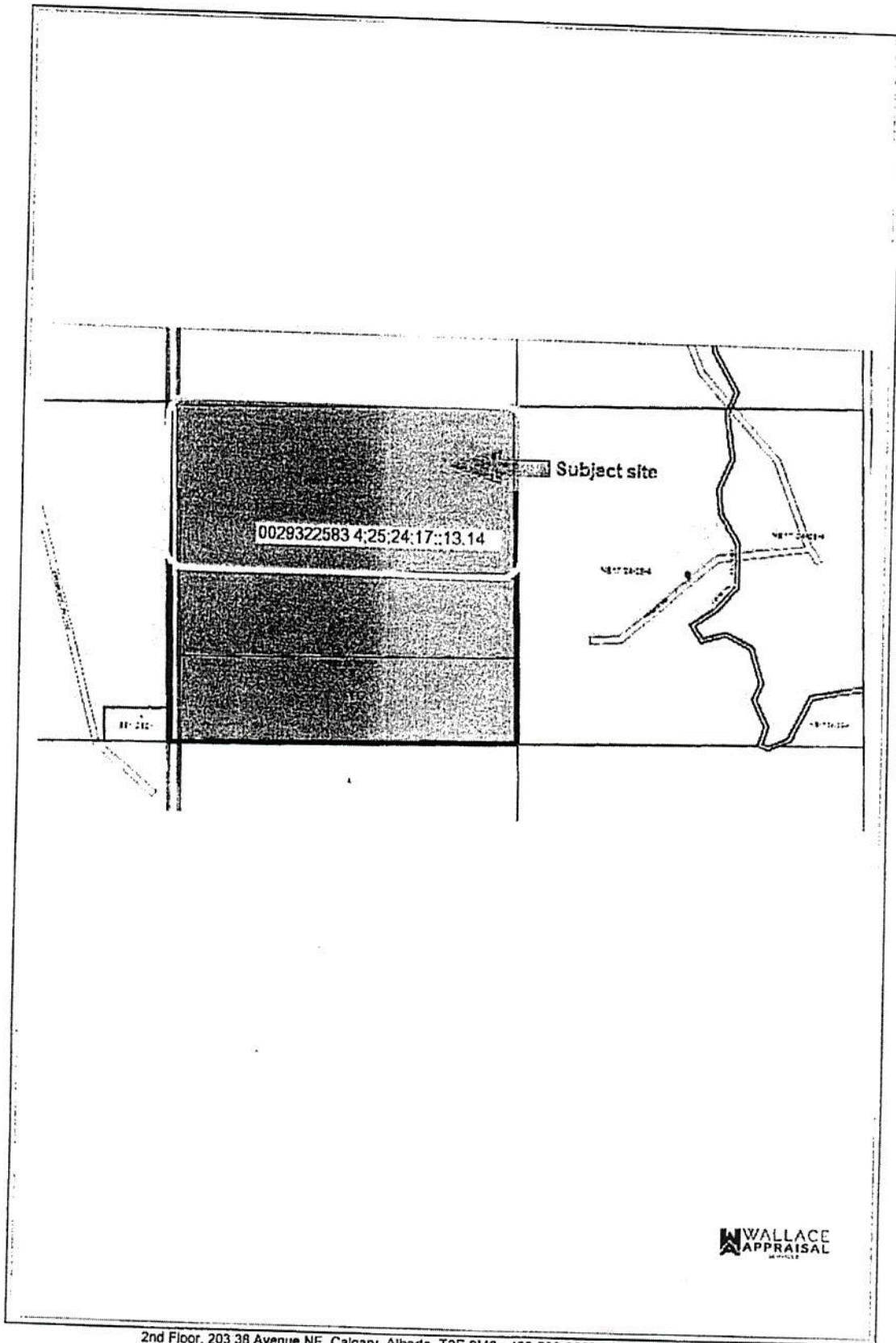


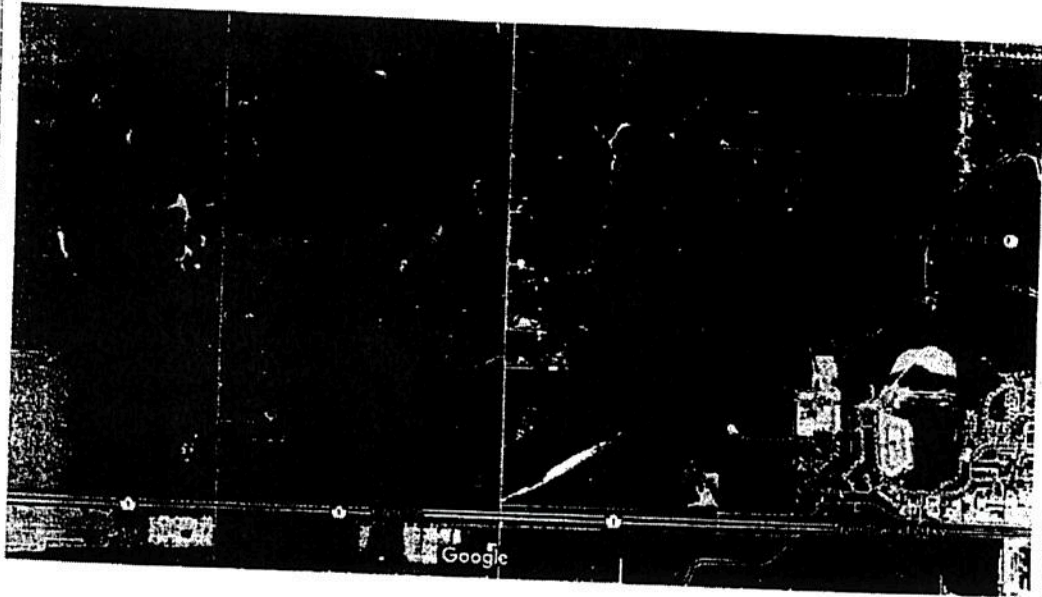
LOCATION MAP

File No. 30001



WALLACE
APPRAISAL





COURT FILE NUMBER

4801-12147

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFFS

TERRIGNO INVESTMENTS INC.

DEFENDANTS

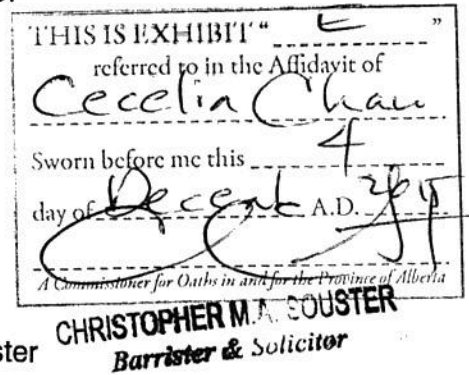
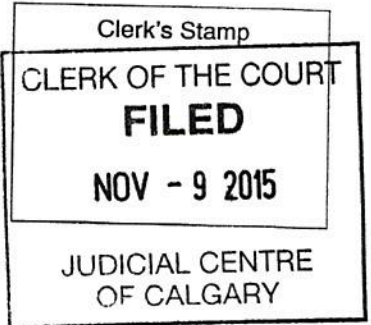
BASE FINANCE LTD.

DOCUMENT

LAND TITLE CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RIVERSIDE LAW OFFICE
Attention: Christopher M.A.Souster
Barrister & Solicitor
4108 Montgomery View N.W.
Calgary, AB T3B 0L9
Phone: (403) 685-4224
Fax: (403) 685-4225
E-mail: cmas@riversidelawoffice.ca



ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
131 214 958

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

MORTGAGEE - TERRIGNO INVESTMENTS INC.
201-10 ST NW
CALGARY
ALBERTA T2N1V5
ORIGINAL PRINCIPAL AMOUNT: \$650,000

121 090 251 18/04/2012 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - TERRIGNO INVESTMENTS INC.
212-10A STREET NW
CALGARY
ALBERTA T2N1W6
AGENT - MIKE TERRIGNO

151 278 982 27/10/2015 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 121090249

TOTAL INSTRUMENTS: 004

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 9 DAY OF
NOVEMBER, 2015 AT 11:42 A.M.

ORDER NUMBER: 29607036

CUSTOMER FILE NUMBER: 3097



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
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